Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | R | Paris, Wednesday, September 24, 1997 | No. 35,634

TODAY: STAGE A Dark Turandot Page 12

Li Peng Warns Rich Countries Over Bullying

He Demands Assurances Against Speculation In Developing Nations

By Alan Friedman
International Herald Tribune

HONG KONG — China warned at a meeting of the world's financial leaders Tuesday that rich countries should not bully developing countries in economic or trade matters.

Championing developing countries, Prime Minister Li Peng said that their rise "has smashed the monopoly of world affairs by a few countries and lent a powerful push behind the movement toward a multipolar world."

In his speech opening the annual meetings of the World Bank and International Monetary Fund, Mr. Li emphasized that the industrialized countries "must have markets for their goods, outlets for their capital and suppliers of the raw materials they need." To sustain their prosperity, he said "they must look to the developing countries for answers."

Mr. Li demanded that the world's governments and its financial institutions work to ensure that the free flow of capital across national boundaries did not make developing countries "easy targets of international financial speculation."

He spoke during a series of meetings that focused on East Asia's financial crisis. The talks were characterized by top financial officials here as being the most unusual World Bank-IMF discussions in recent history.

Among the issues that came together were conflicting views over trade liberalization, the consequences of cross-border capital flows, the risks and benefits of unified financial markets and China's emergence as an economic power that is increasingly asserting itself

The United States agreed to talks aimed at barring East Asian economic turmoil. Page 15.

See CHINA, Page 8

Agence France-Presse

Women grieving Tuesday in a suburb of Algiers after gunmen murdered up to 200 civilians. The attack, the second deadliest in five years, was thought to be the work of Muslim radicals.

200 Victims in Latest Algeria Raid

But Government Acknowledges Only 'Residual Terrorism'

By Charles Trueheart
Washington Post Service

PARIS — As many as 200 Algerian civilians died early Tuesday in a suburb of Algiers at the hands of attackers presumed to be Muslim militants dedicated to the overthrow of the government.

According to the reported accounts of survivors, the massacre in the village of Baraki, a few kilometers east of the capital, bore all the trademarks of the near-nightly butchery of men, women and children that has plagued Algeria for the past several weeks: Armed groups of several dozen men enter villages, slit throats, disembowel pregnant women, behead children, shoot the survivors and burn their bodies, plunder and incinerate dwellings, and carry off young women. Police and security forces are seldom seen.

The government, usually slow to acknowledge massacres and conservative in its casualty estimates, put the death toll in Baraki at 85. Sources at hospitals in the area said the number of dead was closer to 200.

See ALGERIA, Page 5

Russia and the U.S. Point Finger at Iran

Tehran Makes 'Vigorous Effort' To Build Atom Arms, Gore Says

By David Hoffman
Washington Post Service

MOSCOW — Vice President Al Gore said Tuesday that a Russian-American investigation had shown that Iran was making a "vigorous effort" to obtain technology for building nuclear weapons and ballistic missiles to carry them.

Tehran has denied that it is trying to build weapons of mass destruction. But the United States and Israel have intensified a campaign to curtail what they contend is a flow of sensitive Russian technology and expertise to Iran.

Russia, which is helping Iran build a nuclear power plant at Bushehr, has denied that it is helping Iran with ballistic missiles or nuclear weapons. But U.S. and Israeli officials have said that the Russian military-industrial complex and quasi-governmental research institutes — along with former scientists and military specialists — might be contributing to an Iranian missile program.

Earlier this year, President Bill Clinton appointed Frank Wisner, a former ambassador to India and Egypt, as his special envoy on the issue. Mr. Wisner has traversed the Middle East, and on Monday came to a remote government resort outside Moscow to report on his findings to Mr. Gore and Prime Minister Viktor Chernomyrdin of Russia, who are holding their semiannual meeting here.

Mr. Wisner was accompanied by Yuri Koptev, director of the Russian Space Agency. Mr. Gore, speaking cautiously, said after the meeting that the Wisner and Koptev investigation was "extremely thorough" and that "new information has been brought to light."

Mr. Gore refused to elaborate on the findings when asked at a press conference with Mr. Chernomyrdin, saying the study "involves intelligence information in both countries and for obvious reasons it cannot be made public."

"But I would say in a general way," he added, "that one of the new lessons of this report is that it is obvious that there is a vigorous effort by Iran to obtain the technologies that it needs to build a ballistic missile and to build nuclear weapons."

While Mr. Gore said the charge that Iran was seeking such technology is not new, "the kinds of details that we were able to share with one another I think flesh it out in a new way." It was not clear where the new information came from.

On Monday, Mr. Gore had urged reporters to ask Mr. Chernomyrdin about the results of the investigation. But the prime minister brushed away the question Tuesday, saying, "I won't tell

See RUSSIA, Page 8

David Brauchli/The Associated Press

Mr. Gore greeting Mr. Yeltsin in Moscow on Tuesday. He said the U.S. and Russia shared concerns about the proliferation of nuclear weapons.

New Virtues for Greece About to Be Put to Test

By John Vinocur
International Herald Tribune

ATHENS — Up above, on its hill, the Parthenon, eternal proportion and reason, lit up at dusk like a furniture showroom. Down below, at 9 P.M. on a Tuesday night, a traffic mess, a stalled, fetid post-dusk mix of soots and car exhausts and construction dust, a teachers union demo, barricaded streets, cops peering indifferently at such minor chaos, and a taxi driver turning toward the man hunched on his back seat.

"You must get out here," the cabbie says, deciding he will battle this piece of daily reality no further. "But where am I?" the passenger replies. "You must ask," the driver answers, his arm sweeping wide to designate the dark world beyond.

Greece and Athens have changed, goes the refrain these days. Fair-and-square winners of the competition to stage the Olympic Games in 2004, candidates for the euro with a couple of years' delay, the country and the capital's reputation for institutionalized intrigue, unreasonableness, and futile excess has been replaced by a good scout's list of merit badges for lowered inflation, reduced deficits and all the other non-Byzantine insignia of straight-shooterism. The Greeks, a visitor is told again and again, are bringing order to their house.

At the same time, no one is mistaking this place for Schleswig-Holstein.

The government talks in self-congratulatory terms about its victories over inflation, but it spikes upward in August and will roll over the target figure for the year. A law provides that for every five public sector employees who retire, only one should be hired. But the Federation of Greek Industries insists that the total of state-paid workers is actually increasing. The country's top union official estimates that the country's underground, off-the-books economic life represents about 40 percent of the nominal economy. But the minister of culture says this local particularity actually results in "more social cohesion" and Greeks living better than Britons.

In the last week, air traffic controllers announced strikes, flight attendants at the bankrupt state-owned Olympic Airways said they would refuse to work overtime and demanded more staff, and the huge drilling-machine boring the tunnel for the Athens Metro hit subterranean problems, bringing Page One-type traffic chaos above ground. European Union statistics put 24 percent of Greek households below the poverty line, and the Greeks themselves, in a poll published in July, chose Nikos Konstantopoulos, head

See GREECE, Page 5

Surprisingly, Jospin Gives France a Mood of Hope

By Anne Swardson
Washington Post Service

PARIS — Four months after he unexpectedly came to power as French prime minister, Lionel Jospin is widely seen as a pragmatic, nonideological leader who is keeping most of his leftist campaign promises but also nudging France toward modernization.

The Socialist victory in June was viewed by much of the outside world as a sign that France remained unready to enter the world of high technology and global competition since Mr. Jospin during the campaign talked mostly about public-sector jobs and shorter working hours.

But he has picked his way through the traditional minefields of French politics — militant unions, a public wedded to generous benefits, widespread resistance to any change — without breaking the budget or losing public favor. He has even proposed Internet-friendly policies, a large change in one of Europe's least-wired nations.

When Mr. Jospin lays out his proposed budget Wednesday, it will be sufficient to put France in shouting distance of the fiscal criteria for joining Europe's planned single currency. Few who added up the potential cost of his campaign promises last spring would have thought that possible.

Mr. Jospin, running at nearly 60 percent approval these days, has achieved his successes by following what he calls a path of "leftist realism."

He has nipped and tucked at areas relatively removed from the central concerns of French voters, such as privatization of state-owned enterprises, while adhering to his expensive campaign promises on such red-hot issues as job creation.

His path, for the moment at least, has achieved a swift result: The French, mired in pessimism for years, are becoming more optimistic, according to opinion polls.

"People had very low expectations, and they are discovering they have gotten more than they expected," said a

France changes its policy on Airbus manufacturing assets. Page 15.

See FRANCE, Page 8

AGENDA

Pollution Worsens For Malaysians

The smoke haze over the Malaysian state of Sarawak in Borneo rose again Tuesday to record danger levels, and officials weighing an evacuation said there was nowhere to send people. Thousands of fire fighters from Malaysia were reportedly leaving for Indonesia to help put out the fires that are causing pollution through Southeast Asia. Page 4.

Clinton Demands Campaign Reform

WASHINGTON (AP) — President Bill Clinton threatened Tuesday to call Congress into a special session to address campaign finance reform if Republican leaders did not allow ample time to debate the matter in the regular session. He said he expected at least a "recorded vote" on a proposed reform measure.

The Dollar

New York	Tuesday @ 4 P.M.	previous close
DM	1.7936	1.7905
Pound	1.614	1.604
Yen	121.505	121.825
FF	6.0286	6.018

The Dow

	Tuesday close	previous close
-26.77	7970.08	7996.83

S&P 500

change	Tuesday @ 4 P.M.	previous close
-3.5	951.93	955.43

PAGE TWO
Manipulating the Aid Agencies

ASIA/PACIFIC Page 4.
New Lease of Life in Japan

Books ..... Page 11.
Crossword ..... Page 12.
Opinion ..... Pages 10-11.
Sports ..... Pages 22-23.

The Intermarket *Pages 4 and 9.*

The IHT on-line www.iht.com

Albright Heralds New Era For U.S.-Japan Alliance

By Kevin Sullivan
Washington Post Service

TOKYO — The United States and Japan expanded their security alliance Tuesday to give Japan's military its highest profile in Asia since World War II, despite deep reservations from China and other Asian nations that suffered Japanese military aggression earlier this century.

The new defense guidelines, announced Tuesday in New York by Secretary of State Madeleine Albright, Defense Secretary William Cohen and their Japanese counterparts, are intended to upgrade the long-standing U.S.-Japan security alliance for a post-Cold War world. The review of the defense guidelines was ordered by President Bill Clinton and Prime Minister Ryutaro Hashimoto when Mr. Clinton visited Tokyo 19 months ago.

"We have rewritten our partnership to meet the challenges of this new era," Mrs. Albright said at a news conference in New York.

Under the new agreement, Japan would, for the first time since the war, engage in military activities outside its borders in military conflicts involving the United States. Japan would provide minesweepers and conduct search and rescue missions in international waters, use its military ships to conduct inspections of ships at sea to enforce UN-sanctioned embargoes, and assist with communications and surveillance in international waters and airspace. It would allow its civilian airports, ports and hospitals to be used by U.S. troops, and it would accept refugees from war zones and receive noncombatants evacuated from areas of conflict.

However, as required by Japan's constitution, which bans Japan's military

See ALLIES, Page 8

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Dm
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Paul Hanzlik/The Associated Press

Vladimir Titov of the Russian Space Agency, left, with David Wolf, Mir's next passenger.

Is the Mir Safe? Next Astronaut Doesn't Flinch

By Kathy Sawyer
Washington Post Service

HOUSTON — Dave Wolf seems to have it all: He's a medical doctor with his own airplane, an electrical engineer honored for his inventions, a confident, extroverted 41-year-old bachelor.

Yet he has volunteered to leave all this and, for a civil servant's pay, spend the next five months on what one member of Congress has suggested is a "suicide mission" aboard a temperamental foreign vessel that has become fodder for international headlines and late-night stand-up jokes.

Mr. Wolf is to lift off for the Russian space station Mir late Thursday aboard the shuttle Atlantis, along with an international crew of six others, to become the sixth American to live aboard Mir.

Is he nuts?

"I don't expect a pleasure cruise out of this," Mr. Wolf said in an interview last week. "I intend to describe conditions aboard Mir as they really are. It warms me that the public is concerned, and we need to keep them involved in every step of the program they paid for, and let them live it with us."

But his own concern focused as much on the recently edgy public response as about any discomforts or dangers aboard Mir. "If I tell you how I really feel, rather than just give you raw data, if I describe something as uncomfortable, I don't want to be labeled as a complainer," he said. "I'm trapped a little, here," he added, "I've seen what the media has done to other astronauts."

The joint U.S.-Russian flights aboard Mir, punctuated this year by at least two serious emergencies and a string of tiresome problems, have become a kind of Rorschach inkblot test in the sky, revealing widely differing attitudes toward human space flight and the intimidating risk-benefit calculations it entails as practitioners struggle to extend its reach.

Mr. Wolf is eager to go, the White House is nervous, key members of Congress and others are pressuring the space agency to stop American visits to Mir, and even some astronauts have expressed reservations about the value of going ahead with the remaining two scheduled American trips to the facility, which was launched Feb. 20, 1986.

Two of the worst nonfatal calamities in spaceflight history — a fire and collision that caused a puncture — have occurred aboard Mir, triggering a flood of concern that has put the credibility of both the U.S. and Russian space programs on the line.

Managers at the National Aeronautics and Space Administration have emphasized that despite some alarming moments, their detailed reviews indicate Mir remains safe enough to meet U.S. standards for the inherently risky undertaking, and they are learning valuable lessons from the Mir experience that should reduce the risks of ambitious future space operations, as intended.

Some argue that the joint Mir flights have already accomplished their goals. Five U.S. astronauts have flown aboard Mir for an accumulated 22 months, U.S. shuttles have docked there six times and scientists have gotten a "leg up" on how to use space for long-term research, while U.S. and Russian personnel aloft and on the ground have gradually improved their crucial working relationships.

See MIR, Page 8

هكذا من الأصل

Puppets of War / **Plundering the Aid Givers**

Agencies Caught Between Battling Factions

By John Pomfret
Washington Post Service

GOMA, Congo — Rebel forces loyal to Laurent Kabila were plotting their attack on the southern Zairian city of Lubumbashi earlier this year when a glitch surfaced in their battle plan: Mr. Kabila's army needed fuel to airlift troops to the town, recalled a Rwandan officer who participated in the operation.

They found it at a depot maintained by the UN High Commissioner for Refugees, in Goma, a town that had already fallen to Mr. Kabila's men. More than 15,000 gallons of fuel were seized to ferry 300 crack troops southward. Lubumbashi was in rebel hands within days.

The fuel theft was just one of a series of episodes that illustrate the unintentional, and central, role the UN refugee agency and other aid agencies have been playing in regional crises in the aftermath of the Cold War.

Warlords, rebel leaders and imploding governments from Bosnia-Herzegovina to Brazzaville now manipulate aid agencies as never before — using their food to feed troops, their fuel to power airplanes and their logistical infrastructure to conquer or occupy vast territories.

Nowhere was this manipulation more visible than in the seven-month rebellion that toppled the longtime dictator of Zaire, Mobutu Sese Seko, and installed Mr. Kabila as the president of the country he renamed the Democratic Republic of Congo.

Marshal Mobutu's army hijacked UN-chartered planes to transport guns for its futile fight against the rebels. Under the gaze of international aid workers, the planes flew into UN-run refugee camps where the weapons were distributed to Hutu refugees from Rwanda — former soldiers involved in that nation's 1994 ethnic massacres — who had become Marshall Mobutu's first line of defense.

At the same time, the anti-Mobutu rebel army flew on stolen aid fuel, rolled along in stolen aid trucks and grew strong on stolen aid food.

In Congo and several other post-Cold War regional crises, humanitarian action has become a substitute for Western military and diplomatic intervention. Yet, the aid agencies lack the tools or the clout to handle the explosive situations they find themselves confronting. As such, the aid they bring often becomes a resource in a conflict, helping to fan its flames rather than damp them down.

Sayyid Azim/The Associated Press

The UN refugee agency, after trying to help thousands of Hutu from Rwanda, decided it would suspend its mission in Congo, stressing the United Nations' frustration with its aid missions.

THE Western reaction of deploying food and money — but not troops or diplomatic pressure — has become an important component in the tactics of these local warriors, military scholars argue. It has also given aid workers cause to question two once sacred tenets of their trade: Every disaster deserves a humanitarian response and aid agencies must remain strictly neutral.

On Sept. 9, Sadako Ogata, UN high commissioner for refugees, announced that her agency was suspending its operations in Congo — a decision that highlighted the United Nations' frustration with its aid missions.

"We are being forced to pick sides in crises now," said a senior official at the International Committee for the Red Cross, whose founding principles — that all sides of a conflict be treated equally — have been shaken in recent years, most notably by the killing of six Red Cross workers in Chechnya in December last year. Indeed, most aid agencies in Bosnia are working openly for unification of the country, in opposition to the separatist Serbs.

Aid agencies have been subject to manipulation and intimidation in the past. But the logic of the Cold War often drew American or Soviet advisers to direct and control those conflicts. Today, the United Nations and other aid agencies more commonly operate in a political, military and diplomatic vacuum.

"The Zaire crisis signals that our tools are inadequate to deal with these types of crises, and these types of crises will be more likely in the future," said Lionel Rosenblatt, head of Refugees International, a humanitarian advocacy group in Washington. "I unfortunately don't see much hope for improvement."

He added: "Whole regions will go up in smoke with the international community unable and unwilling to make any type of decisive action."

Mr. Rosenblatt said he believed that given the unwillingness of Western powers to get involved in conflicts that do not directly affect their interests, "the only pieces that will be free to move on the chessboard will be the aid agency pieces."

"That means they will be at the front line of political, security and humanitarian crises for years to come," he said. "They will be the *substitute for political force.*"

An indication of the extent to which the UN refugee agency and other aid groups have begun to usurp the traditional role of governments is in their budgets. In 1971, the total expenditure by disaster relief agencies totaled $200 million; by 1994, it had ballooned to $8 billion, with $1.4 billion spent for Rwanda and what was then eastern Zaire alone.

Another, grimmer sign of how the role of aid agencies has changed is the death toll of workers.

During the Cold War, relief workers operated on the sidelines of conflicts, protected by an invisible shield of neutrality. Now, while no firm statistics are available, it seems clear that several hundred of them are being killed each year.

Combatants have come to view aid workers as participants in their wars, and their food, fuel and transport are seen as weapons.

Q & A / **Mary Robinson**

New Human Rights Chief Pledges 'Bridge-Building'

Mary Robinson, 53, the former president of Ireland, assumed her new position as UN High Commissioner for Human Rights last week. Robert Kroon interviewed her in Geneva for the International Herald Tribune.

Q. Comparing your new function with your previous work, didn't you opt for a mission impossible?

A. Yes, it's daunting and very different from my previous position as the nonexecutive president of Ireland, where I was not involved in hands-on policy-making. But seven years of observing, listening and doing things in a lateral way will help in my new job.

•

Q. There's a huge North-South gap in the perception of human rights, which many Third World governments see as a right to development rather than rights for the individual. Are those positions irreconcilable?

A. As the UN's High Commissioner for Human Rights, I want to see that gap closed. Collective and individual rights are not mutually exclusive. The scope of human rights is interlinked with social, cultural and economic issues and that requires a broad approach.

Still, my mandate is based on the Vienna World Conference on Human Rights of 1994, which reaffirmed the universality and indivisibility of the original UN Human Rights Declaration.

And as an independent and credible defender of human rights, I also want to be the moral voice for the victims of violence, torture, abuse and exclusion. Human rights should be mainstreamed throughout the United Nations' system, and this is also part of the secretary-general's reform package.

•

Q. At the annual sessions of the Human Rights Commission, China, Indonesia and other developing nations cite some individual rights as Western political or neocolonialist meddling. Do you agree, as some suggest, that the Universal Declaration of Human Rights needs to be rewritten?

A. Absolutely not. But I welcome that debate as healthy and challenging. We must make it an article of faith that is understood. I have been in office for only a few days, but I have already met with all the regional groups and that gap in human rights perceptions came up immediately. There's a great lack of trust there. But don't forget that in the West we take certain things for granted, like the social and economic development Third World nations are deprived of.

Patrick Aviolat/Agence Presse-Presse

Mary Robinson wants to see the North-South gap on rights closed.

My priority is a bottom-up approach, and I intend to give leadership there. I want to be a bridge-builder, but being Irish I have no desire to create an empire.

Q. Your predecessor, Jose Ayala Lasso of Ecuador, favored quiet diplomacy. Will you be more outspoken?

A. I will certainly have my own style. Mr. Lasso took many good initiatives, but the structure of his office was not good — not very well-thought through. The newly unified structure of the office of the High Commissioner gives me a much better basis for promoting and defending human rights. However, considering all the high expectations, I must say this office is underfunded.

More governments should give more voluntary contributions, and that will be one of my main concerns when I talk with government leaders at the General Assembly in New York this week. I will also make this point when I see Secretary [of State Madeleine] Albright and Ambassador [Bill] Richardson.

•

Q. It appears that your office is excluded from the secretary-general's task force for the former Zaire. The new regime in Congo still refuses to allow UN inspectors in. What does that say about human rights promotion in that part of the world?

A. It was understood and agreed both here and at New York headquarters that the High Commissioner for Human Rights should not be part of what is essentially a political situation, despite the obvious human rights dimension.

The Congo problem is the prime responsibility of the Security Council at this stage. But I will have certainly have some things to say about this subject at the General Assembly in New York.

Correction

Due to an editing error, an article Tuesday on the Polish election incorrectly framed a comment by Poland's Solidarity leader. He chastised the Freedom Union months ago, not on Monday, for supporting a new constitution that did not ban abortion.

TRAVEL UPDATE

2 New Runways Planned at Paris

PARIS (Reuters) — France announced Tuesday it would double the number of runways at the Charles De Gaulle International Airport outside Paris to four rather than build a third airport to serve the French capital.

Transport Minister Jean-Claude Gayssot, announcing the decision at a news conference, acknowledged that people living in the Roissy area where the airport is located would be angered by the move, but he pledged to step up a battle against noise.

The final decision was to be left to the Socialist government.

Flights Limited At Phnom Penh

PHNOM PENH (Reuters) — Cambodian aviation officials warned airlines Tuesday not to land at the Phnom Penh airport in bad weather because important equipment and lights were not working.

"We want the planes not to land during serious weather because we have lost our VOR, or very high-frequency omni direct-range beacon," said Sok Sambaur, an official of the Civil Aviation Authority.

The main western rail line into London reopened Tuesday after workers cleared away wreckage from the collision last week of a passenger express and freight train that killed six people in west London. *(AP)*

Maersk Air, a Danish airline, has entered a code-sharing agreement with Air France. The accord will give passengers on Maersk's two daily flights from Billund in Jutland to Paris access to 189 cities in France and the rest of the world. *(Bloomberg)*

A hurricane, designated Nora, one of the most powerful of the season, could hit Mexico's Baja California peninsula, the authorities said. Warnings were also posted to residents in the neighboring states of Sinaloa and Sonora. *(Reuters)*

Cairo Chides Media on Killings

The Associated Press

CAIRO — The Egyptian Ministry of Tourism has accused international news organizations of wrongly linking the killing of German tourists last week to Islamic extremists, insisting that the attack was an isolated crime.

The accusation came in a statement from the minister of tourism, Mamdouh Beltagi. It was his third attack on the news media since the attackers shot up and hurled gasoline bombs at a tourist bus, killing nine Germans and their Egyptian driver, and wounding 24 people.

The attack on the bus drew international attention because it occurred outside the Egyptian Museum, a major mid-Cairo tourist site, while the area was crowded with visitors. The assault raised fears of harm to Egypt's crucial tourist business.

In his statement, the tourism minister accused journalists of rushing to judgment in citing a terrorism link.

While an investigation into the crime is under way, he said, "Can anyone invest himself with the right to mete out judgments and assessments?"

"The answer," he said, "is a definite no!"

Some Egyptian newspapers have questioned the government's assertions that the attack was an isolated incident, unconnected to a campaign of violence by Islamic radicals in Egypt over the last five years.

Mr. Beltagi declared that the facts were: the only perpetrators of the crime were two brothers who were seized at the scene; they did not belong to any organized terrorist group, and one of the brothers had been judged mentally ill and was committed to a psychiatric hospital.

Initially, the Egyptian police said the attack had been carried out by "terrorists," a word generally used in Egypt to describe Muslim militants fighting to overthrow the secular government.

DO YOU LIVE IN HELSINKI?
For a hand-delivered subscription on the day of publication, call 00 33 1 4143 9361

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Life and Academic Experience Through Convenient Home Study
(808) 597-1989 EXT. 23
FAX: (310) 471-6456
http://www.pwu-hi.edu
Fax or send detailed resume for FREE EVALUATION
Pacific Western University
1210 Auahi Street, Dept. 23
Honolulu, HI 96814-4922

THE INTERMARKET
On Internet
Classified ads placed in the International Herald Tribune can now be seen on the IHT web site.
http://www.iht.com
A great deal happens at The Intermarket

THE WORLD'S DAILY NEWSPAPER

THG
www.hotelguide.com
check out - before you check in
Business + Leisure Worldwide
View, choose, book directly and save

Peter G. Catranis
Forex & Futures Specialist
Are You Prepared ?
1997 & 1998 Will Generate Major Currency Moves.
These moves will directly affect the value of your Portfolio. Prepare yourself to take advantage of these moves by calling today.
SUPERIOR Selection of Managed Accounts
OUTSTANDING Global Currency Analysis
EXCEPTIONAL Execution Forex or Futures
MINIMUMS $10,000 to $5,000,000 (USD)
COMMISSION 2-6 FX Spreads Futures $12-$36
For My Complimentary Services Guide, Latest Research Reports, Opinions and Performance Records Call (24 hours) Toll-Free.
Australia 1800125944 Belgium 080015880 Brazil 0008119215513
Colombia 980120837 Denmark 80016132 Finland 08001110064
France 0800902246 Greece 0800119213013 Germany 0130829666
Hong Kong 800967209 Israel 1771000102 Italy 167875928
Japan 0031126609 Korea 0038110243 Luxembourg 08004552
Mexico 9580087841?8 Netherlands 060220657 N. Zealand 0800441880
Portugal 050112632 Singapore 8001202501 S.Africa 0800996337
Spain 900931007 Sweden 020793158 Switzerland 0800897233
Thailand 001800119216813 USA 8009945757 UK 0800966632
US-Toll Voice Line +714-376-8020 US-Toll Fax Line +714-376-8025

DO YOU LIVE IN NORWAY?
For a hand-delivered subscription on the day of publication in Oslo and Bergen, call 00 33 1 4143 9361
Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

North America
Heavy rain will spread from northern Baja across southern Arizona and New Mexico Thursday and Friday. Soaking rain is also likely from Tennessee to West Virginia. Showers will dampen the Northeast Wednesday, then brisk and cool Thursday and Friday. Dry with some sun in the West.

Europe
Pleasant with some sunshine Thursday and Friday from Germany and northern France across England, but it could shower in London Saturday. Cool from Poland to Austria despite sunshine. Romania and most of southeastern Europe will be chilly with rain, but sunny and nice in Italy.

Asia
Cool with rain in Beijing Thursday, then some sun returns Friday and Saturday. Cool with clouds in Seoul Thursday, but soaking rains are likely across Korea and southern Japan Friday and Saturday. Sunny and hot in western China, but humid with showers likely in the southeast.

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	26/79	18/64 pc	26/79	18/64 c
Amsterdam	19/66	12/53 pc	21/70	13/55 s
Ankara	29/73	4/39 s	22/71	3/37 pc
Athens	22/71	15/59 s	22/71	14/57 c
Barcelona	23/73	16/61 pc	22/71	15/59 pc
Belgrade	22/71	6/43 s	16/61	2/35 pc
Berlin	17/62	8/46 pc	18/64	11/52 pc
Brussels	19/66	12/53 pc	22/71	13/55 s
Budapest	18/64	4/39 pc	16/59	4/39 s
Copenhagen	16/61	11/52 pc	18/64	12/53 s
Costa Del Sol	27/80	19/66 pc	27/80	18/64 c
Dublin	19/66	11/52 s	19/66	12/53 s
Edinburgh	19/66	10/50 pc	18/64	11/52 c
Florence	24/75	12/53 s	23/71	11/52 s
Frankfurt	17/62	6/43 pc	18/64	9/48 pc
Geneva	23/73	10/50 s	24/75	12/53 s
Helsinki	8/46	4/39 pc	15/59	9/48 pc
Istanbul	30/86	12/53 pc	18/64	7/44 s
Kiev	10/50	-2/29 r	6/43	4/39 sf
Las Palmas	25/77	20/68 pc	24/75	19/66 pc
Lisbon	22/71	16/61 pc	21/70	16/61 c
London	20/68	12/53 pc	21/70	13/55 pc
Madrid	29/84	13/55 pc	29/82	13/55 c
Mallorca	28/79	21/70 pc	28/79	14/57 pc
Milan	24/75	11/52 s	24/75	13/55 s
Moscow	9/48	7/44 r	12/53	7/44 sh
Munich	18/61	5/41 pc	17/62	6/43 pc
Nice	24/75	17/62 pc	23/73	17/62 s
Oslo	15/59	9/48 pc	19/66	11/52 s
Paris	20/68	9/48 s	22/71	12/53 s
Prague	16/61	4/39 c	16/61	6/43 s
Reykjavik	13/55	6/43 r	11/52	10/50 c
Riga	8/46	3/37 pc	13/55	8/46 c
Rome	23/73	14/57 r	23/73	12/53 s
St. Petersburg	8/46	4/39 c	12/53	10/50 sh
Stockholm	11/52	9/48 pc	16/61	11/52 c
Strasbourg	20/68	10/50 pc	22/71	12/53 s
Tallinn	8/46	4/39 pc	14/57	9/48 c
Tbilisi	29/73	13/55 c	27/80	16/61 pc
Vienna	22/71	10/50 s	21/70	10/50 s
Vilnius	16/61	6/43 pc	18/64	7/44 pc
Warsaw	11/52	1/34 pc	12/53	4/39 c
Zurich	19/66	8/46 s	21/70	12/53 s

Middle East

Abu Dhabi	41/106	24/75 s	41/106	23/73 s
Beirut	24/75	17/62 s	22/71	17/62 s
Cairo	29/84	18/61 s	32/89	17/62 s
Damascus	29/84	10/50 s	27/80	9/48 s
Jerusalem	24/75	11/52 s	29/73	11/52 s
Luxor	38/100	18/61 s	38/100	16/61 s
Riyadh	40/104	22/71 s	41/106	23/71 s

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	25/77	10/50 s	25/77	11/52 s
Bali	30/86	19/66 s	29/84	19/64 s
Bangkok	31/88	24/75 r	31/88	29/77 r
Beijing	19/66	13/55 r	18/64	14/57 r
Bombay	29/84	23/73 sh	30/86	23/73 c
Calcutta	32/89	24/75 pc	29/84	25/77 r
Chiang Mai	28/82	23/73 r	29/84	23/71 r
Colombo	29/84	24/75 r	28/82	24/75 r
Hanoi	30/86	24/75 r	27/80	23/71 r
Ho Chi Minh	31/88	24/75 r	31/88	24/75 sh
Hong Kong	26/82	23/73 c	28/82	25/73 sh
Islamabad	39/102	19/66 s	37/98	21/70 s
Jakarta	32/89	22/71 s	31/88	22/71 s
Karachi	34/93	23/73 s	34/93	22/71 s
K. Lumpur	32/89	23/73 pc	32/89	23/73 pc
K. Kinabalu	31/88	23/73 pc	29/84	23/73 r
Manila	31/88	23/71 pc	30/86	23/71 r
New Delhi	37/98	22/71 s	37/98	22/71 s
Phnom Penh	31/88	24/75 r	30/86	24/75 r
Phuket	31/88	24/75 r	31/88	25/77 r
Rangoon	29/84	23/73 r	29/84	23/73 r
Seoul	24/75	11/52 pc	21/70	16/64 c
Shanghai	22/71	20/68 s	22/71	19/66 r
Singapore	31/88	22/71 pc	31/88	21/70 pc
Taipei	28/79	20/68 pc	28/82	23/73 pc
Tokyo	28/71	17/62 c	21/70	17/62 pc
Vientiane	29/84	23/73 t	29/84	23/73 r

Africa

Algiers	27/80	14/57 s	27/80	18/61 pc
Cape Town	22/71	12/53 pc	19/66	14/57 c
Casablanca	27/80	18/64 pc	24/75	17/62 pc
Harare	24/75	12/53 pc	27/80	11/52 pc
Lagos	29/84	23/73 c	28/82	23/73 c
Nairobi	29/84	11/52 s	30/86	11/52 pc
Tunis	29/79	17/62 pc	28/78	12/62 r

Latin America

Buenos Aires	18/64	2/35 pc	13/55	1/34 pc
Caracas	31/88	22/71 pc	29/84	23/71 c
Lima	22/71	18/61 s	21/70	17/62 pc
Mexico City	23/73	14/57 sh	19/66	12/53 c
Rio de Janeiro	27/80	22/71 pc	27/80	22/71 r
Santiago	19/64	-2/28 s	17/62	5/41 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	13/55	8/46 r	14/57	7/44 sh
Atlanta	25/77	17/62 t	27/80	17/62 pc
Boston	13/55	8/46 s	14/57	9/48 pc
Chicago	20/68	10/50 s	23/73	13/55 s
Dallas	25/77	17/62 c	28/82	20/68 pc
Denver	20/68	7/44 s	24/75	9/48 pc
Detroit	18/64	9/48 s	21/70	11/52 pc
Honolulu	31/88	23/73 pc	32/89	24/75 pc
Houston	31/88	20/68 t	31/88	19/66 pc
Los Angeles	37/98	19/66 s	31/88	19/61 pc
Miami	32/89	26/79 pc	32/89	26/79 sh
Minneapolis	24/75	12/53 s	25/77	13/55 s
Montreal	8/46	6/43 pc	13/55	4/39 pc
Nassau	32/89	24/75 pc	32/89	25/77 pc
New York	18/64	11/52 s	19/66	13/55 pc
Orlando	33/91	23/73 pc	32/89	23/73 pc
Phoenix	31/88	23/73 r	37/98	23/73 sh
San Fran.	27/80	13/55 s	23/73	13/55 pc
Seattle	27/80	13/55 s	21/70	12/53 sh
Toronto	14/57	6/43 pc	17/62	6/43 pc
Vancouver	26/79	14/57 s	19/66	8/46 pc
Washington	19/66	12/53 pc	20/68	13/55 pc

Oceania

Auckland	16/61	10/50 r	16/61	11/52 c
Sydney	15/59	11/52 r	17/62	9/48 sh

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sf-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

A two-month trial subscription. *Save up to 60%*
Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning AND save up to 60% off the newsstand price.

COUNTRY/CURRENCY		2 MONTHS NEWSSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	ATS	1,456	650	55%
BELGIUM/LUXEMB.	BEF	3,380	1,350	60%
DENMARK	DKK	780	360	54%
FINLAND	FIM	624	310	50%
FRANCE	FF	520	210	60%
GERMANY	DEM	162	72	56%
GREAT BRITAIN	£	47	22	53%
HONG KONG	HK$	676	284	57%
ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	43	45%

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR NEAREST IHT OFFICE

Yes, I would like to start receiving the International Herald Tribune.
☐ My check is enclosed (payable to the IHT)
Charge my: ☐ Amex ☐ Diners ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard
For ex-US and Asian prices, credit cards will be charged in French Francs at current rates.
Card No: _____ Exp. Date: _____
Signature: _____
For business orders, indicate your VAT No: _____ (IHT VAT Number FR74732021126)
Mr/Mrs/Ms Family Name: _____
First Name: _____ Job Title: _____
Mailing Address: _____
City/Code: _____
Country: _____
Home Tel No: _____ Business Tel No: _____
E-Mail Address: _____
I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other 24-9-97
☐ I do not wish to receive information from other carefully screened companies
Mail or fax to: International Herald Tribune
EUROPE, MIDDLE EAST & AFRICA
181 Ave. Charles de Gaulle, 92521 Neuilly Cedex, France
Fax: +33 1 41 43 92 10. Tel: +33 1 41 43 93 61
THE AMERICAS
850 Third Avenue, New York, N.Y. 10022-6275, USA
Fax: +1 212 755 8785. Tel: (toll free) 1-800-882-2884
ASIA
7/F Malaysia Bldg, 50 Gloucester Rd, Wanchai, Hong Kong
Fax: +852 2922 1199. Tel: +852 2922 1171
E-Mail: subs@iht.com Asia: subshk@ihthk.com
Offer valid for new subscribers only. HA7M

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

THE AMERICAS

Senator Wants Wide Clinton Probe

Republican Calls for Independent Inquiry Into Fund-Raising

By Jill Abramson
New York Times Service

WASHINGTON — Although President Bill Clinton says he is confident neither he nor his campaign broke "the letter of the law" in fund-raising, the chairman of the Senate committee investigating the question says everything he has found points toward the need for an independent counsel.

Senator Fred Thompson, Republican of Tennessee, who is chairman of the Senate Governmental Affairs Committee, said in an interview that his panel's investigation ultimately would demonstrate the need for an independent counsel because "people with access to the White House" had engaged in the "raising of illegal funds."

Mr. Thompson also said that the purview of an independent counsel investigation would almost certainly be wider than the narrow legal issue of whether fund-raising calls made by either President Clinton or Vice President Gore violated a federal law barring solicitation on federal property. "If an independent counsel is appointed," Mr. Thompson said, "it will be broader than the phone calls. It should be."

Ms. Reno has ordered a preliminary inquiry to determine if any fund-raising calls made by the president and vice president had violated a federal law barring fund-raising on federal property. The 30-day review could be the first step leading to the appointment of an independent counsel. The president vowed to cooperate fully with the Justice Department.

"I want to cooperate however I can to establish the facts," Mr. Clinton said Monday, "but I think it's important that you and the American people understand that I believed then and I believe now that what we did was legal."

Senate Republicans have intensified the pressure on Ms. Reno to appoint an independent counsel, particularly since it was disclosed that some of the money raised in telephone calls made by Mr. Gore ended up in the Democratic Party's so-called hard-money account for direct spending on campaigns. The attorney general has maintained that money raised for party-building activities, known as soft money, falls outside the reach of federal election laws. But hard-money solicitations would fall within the scope of federal campaign finance laws.

Mr. Clinton has said he cannot remember making telephone calls to ask for donations, although Mr. Gore has acknowledged that he made such calls. Neither has indicated that he was aware that some of the donations would land in a hard money account.

Mr. Thompson has called the White House's fund-raising efforts in 1996 "unprecedented," but he, too, has been on the defensive of late. His panel's hearings have failed to capture the public's attention, and last week he and his Senate colleagues decided to change course.

During the next few weeks, the Senate panel will focus on fund-raising abuses, particularly in the area of soft money, by both parties as well as on legislative remedies to overhaul the election laws.

Mr. Thompson said the shift would help efforts in the Senate to pass a bipartisan campaign-finance overhaul bill introduced by Senators John McCain, Republican of Arizona, and Russell Feingold, Democrat of Wisconsin. Mr. Thompson, one of the only Republicans who has endorsed the McCain-Feingold bill, also said he thought there was a good chance the Senate would pass some form of campaign-finance overhaul.

Mr. Thompson downplayed the importance of the shift, emphasizing that he always intended to explore broader campaign-finance areas and was simply accelerating his timetable. He denied that the change in agenda was influenced by public apathy.

On a subject that has attracted considerable speculation in Washington, Mr. Thompson said it was likely that Harold Ickes, the former White House deputy chief of staff, would be called to testify before the panel.

"The theater of it may make him irresistible," Mr. Thompson said of Mr. Ickes, a feisty New Yorker. In private questioning, Mr. Ickes has been combative with Senate Republicans and has cited Republican fund-raising excesses when questioned about the zeal of the Democrats and the Clinton White House. Mr. Ickes was questioned in closed session by lawyers for the panel on Monday.

Joe Marquette/The Associated Press

Harold Ickes, the former White House deputy chief of staff, leaving the Capitol after giving a deposition.

Tobacco Windfall?

Cigarette Profits Would Soar Under U.S. Deal, Agency Reports

By John M. Broder
New York Times Service

WASHINGTON — Tobacco industry profits would soar under the terms of a legal settlement proposed in June by 40 state attorneys general and cigarette makers, according to an analysis of the agreement by the Federal Trade Commission.

The study found that the tobacco companies would have reaped as much as $123 billion in additional profits in the next 25 years if the settlement plan had been adopted as drafted.

The analysis, conducted in response to a request from Congress, also concluded that the $368.5 billion face value of the settlement was significantly overstated.

The real cost to industry would have been about $207 billion because the companies' payments were to fall as cigarette consumption dropped, the commission staff report found. The cost to industry of the June agreement would have been about $100 billion in today's dollars, the study found.

The settlement proposal is unlikely to be enacted by Congress without substantial changes, if at all. But the Federal Trade Commission's findings are startling because the agreement had been depicted as extremely costly to the cigarette industry.

Instead, the agency found, the industry would thrive financially while enjoying immunity from most litigation.

Scott Williams, a spokesman for the tobacco makers, said that the report was "highly speculative and misses the point." Mr. Williams, of the public relations firm Bozell Swayer Miller Group, said that the purpose of the proposal for a settlement was to reduce smoking by minors.

The tobacco industry historically has increased prices more quickly than its costs have risen, taking advantage of the small number of companies in the cigarette market and the millions of customers addicted to its products.

But the FTC study may already be largely obsolete, because President Bill Clinton has rejected many parts of the June proposal, including the provision allowing the companies to pass along to smokers all settlement costs.

Under the president's proposal, cigarette prices would rise by as much as $1.50 a pack, but a large portion of the increase would be taken in penalties if smoking by teenagers did not drop sharply. The study also assumed that the cigarette companies would receive a $50 billion tax break approved as part of the balanced-budget accord in July.

But both houses of Congress voted overwhelmingly in the last two weeks to rescind that tax break.

POLITICAL NOTES

Pork Barrel Goes Dot Com

WASHINGTON — For years, Senator John McCain, Republican of Arizona, has annoyed his colleagues with speeches against the practice of pork-barreling — spending taxpayers' money on hometown projects that give lawmakers something to brag about when the next election rolls around.

This year is especially embarrassing, because Senator McCain for the first time has put his laboriously gathered pork research on the Internet (www.senate.gov/mccain), where anyone can "scroll down and click on the pig" to access about 100 pages of items pointing at lawmakers all over the nation.

Taxpayers, as "Porky" discloses, will note that Senate appropriators have allocated "at least $180,000" so the National Center for Physical Acoustics can continue its program to develop "automated methods of monitoring pest populations."

The National Asian Pacific Center on Aging will get $260,000 to "link the Asian Pacific aging community with other services and organizations." *(WP)*

Senate Opens Audit of the IRS

WASHINGTON — Opening a three-day review of the Internal Revenue Service, a Senate committee chairman said Tuesday that tax collectors use false identification and pursue taxpayers "who can't afford to fight back" to meet collection quotas.

The IRS called the attacks misleading or unfounded.

"We are holding these hearings because one thing is certain: We can't fix the IRS without knowing what ails the IRS," said the Finance Committee chairman, Senator William Roth Jr., Republican of Delaware.

He said he sought "constructive criticism — criticism with the intent to improve not destroy."

"This is not IRS bashing," he said. "It is oversight."

Senators, authors and tax-related trade groups were among the first witnesses called to describe the agency's troubles.

But the hearings are generating quite a buzz over expected whistleblower testimony later in the week from current and former agents, some of whom will have their identities concealed. They are expected to say that the agency unfairly singles out small taxpayers least likely to defend themselves for collections, an accusation that the IRS says is against its procedures. *(AP)*

Quote/Unquote

Stephen Moore, an analyst at the Cato Institute, the libertarian think tank not known as an IRS defender, on the Senate hearings: "I really believe the villain here is not the IRS. The villain here is Congress, because the IRS has a hopeless task to administer and enforce a tax code that is ultimately unenforceable." *(AP)*

Brazil Sifting a $4 Million Mystery

Fortune, Which May Be Nazi Loot, Kindles Interest in a Taboo Past

By Diana Jean Schemo
New York Times Service

SAO PAULO — Albert Blume died 14 years ago, an outcast and a mystery to his relatives, buried in a poor man's grave. As odd as his life was his legacy — a $4 million fortune in luxury watches, rings, gold bars and gold teeth for which an aging aunt has been battling in court since his death.

The case might have ended unnoticed this year, with a court-appointed executor finally handing over the treasure to Mr. Blume's aunt, Margarida Blume. Instead, it has caught the attention of Brazil's first commission to investigate Nazi war criminals who fled here with looted Jewish property, as well as those who helped them flee.

Rabbi Marvin Hier, head of the Simon Wiesenthal Center in Los Angeles, said the Blume case "appears to be the first concrete discovery of a perpetrator's account, which is where we believe the lion's share of the Jewish wealth was hidden."

Suddenly the bizarre details and contradictions in Mr. Blume's life are kindling interest among Brazilians in a chapter of their past that once seemed remote, irrelevant or taboo — a South American counterpart to the scandal over Swiss banks that swallowed Jewish assets.

Theories about Mr. Blume's treasure abound, but for now are only theories.

Some say that Mr. Blume, who lived out his life as a pawnbroker, fled to Brazil to escape Nazi persecution of homosexuals and that the gold was merely collateral for loans.

But Rabbi Henry Sobel, the chief rabbi of Brazil and the head of the Brazilian commission, and others contend that Mr. Blume never owned the fortune. More likely, they say, this German-born member of the Nazi Party was sent to Brazil in 1938 as a spy and was later used as a conduit for stolen gold that now lies in a bank vault in his name.

They believe that Mr. Blume was holding it for a similarly named war criminal in Argentina, whose Nuremberg death sentence was commuted in 1951.

By raising these questions, the investigating commission is challenging Brazilians to color in the pages of an era that has only been outlined until now — the history of Operation Odessa, a German plan devised in the final days of World War II to smuggle senior Nazis to South America.

The commission is reporting on stolen masterpieces, like a $1 million Madonna by Raphael that came here, and on dormant accounts opened by Nazis who fled here that are worth $15 million. One result, after decades of public indifference, is a belated national assessment of how Odessa worked and why South Americans allowed it to work so well.

If the "final solution" was the industrialized murder of European Jewry, the looting of the dead was no less systematic.

From August 1942 to late 1944, the Nazi SS organized scores of shipments — of currency, jewelry and gold teeth — from death camps to the Reichsbank in Berlin, the journalist Ladislas Farago wrote in his 1974 book, "Aftermath: Martin Bormann and the Fourth Reich."

With defeat imminent, senior German officials began hiding looted property in foreign accounts as part of a vast operation that the Allies code-named Safe Haven. Some of that money helped finance Odessa, an underground railroad for Nazi officials who were fleeing Germany and expected arrest.

Their escape routes crossed Spain, Portugal and Italy, with Argentina the most frequent destination. In Buenos Aires, President Juan Peron was openly sympathetic and only too ready to accept Nazi gold.

Arriving in South America, the fugitives relied on Nazi networks built up throughout the continent before and during the war, said Stanley Hilton, author of "Hitler's Secret War in South America," a 1977 book.

Among the fugitives was Klaus Barbie, the Gestapo chief nicknamed the Butcher of Lyon, who lived openly in Bolivia for years until he was finally extradited in 1983 for trial in France.

In Brazil, Dr. Josef Mengele — the "Angel of Death" who selected victims for the gas chambers at Auschwitz and conducted medical experiments on humans — picked up his scalpel again, performing illegal abortions without anesthesia in the state of Parana. Although he used an alias, the Brazilian secret police knew of his past for 11 years before his death in 1979, the Brazilian press reported in the 1980s.

In Chile, successive governments refused to extradite Walter Rauff, who was responsible for the mobile gas vans that killed 97,000 Jews in Eastern Europe. In Brazil, courts turned down a West German request for Gustav Franz Wagner, second-in-command at the Sobibor death camp, in 1979.

Only now are Brazilians bringing to light official complicity in helping the Nazis, said Maria Tucci Carneiro, author of "Anti-Semitism in the Vargas Era (1930-1945)."

Despite the interest overseas, which peaked with Adolf Eichmann's kidnapping from Argentina in 1960 for trial in Jerusalem, textbooks in Brazil never addressed government policies that allowed known Nazis to enter the country while barring Jewish refugees, she said. "It was taboo."

But with recent worldwide revelations of assets stolen from Jews, which led to the establishment of the Brazilian commission, that is changing.

"In 1989 and 1992," said Otavio Costa, managing editor of Manchete, the magazine that revived the questions that first surfaced in 1989 surrounding Mr. Blume's estate, "there was nothing similar happening in the rest of the world that this was a part of."

"Right now," he said, "it's the opposite."

Marcelo Ponte, managing editor of Jornal do Brasil, a Rio daily newspaper, said that the interest was more on the level of soap opera.

"The Blume story has an element of mystery that fascinates people, that awakens their curiosity," he said.

He pointed out that this is a country where crimes typically go unpunished because of connections or bribes and that there remains a tendency to view war criminals as just a variation on that theme.

At the same time, the Brazilian commission, with the help of the World Jewish Congress, has identified 14 dormant Nazi accounts worth $15 million and it has taken testimony from Brazil's Holocaust survivors about their losses.

Navy Bends Policy On DNA Samples

By Bradley Graham
Washington Post Service

WASHINGTON — The U.S. Navy has reinstated a sailor who was demoted and subjected to discharge proceedings after he objected on religious grounds to providing a sample of his DNA for a military databank.

The reversal is being hailed by critics of the Pentagon's DNA program as the first time a member of the armed forces has been formally granted an exemption from the obligation to surrender a genetic sample.

But the sailor, First Class Petty Officer Donald Power, says his one-and-a-half-year effort to avoid the DNA requirement turned into a personal nightmare for which the navy has only partly sought to compensate him. As a result of his earlier loss of rank and pay, Mr. Power says, he ended up losing his house and his credit rating and endured irreparable damage to his prospects for advancement in the small community of naval technicians trained to work on nuclear reactors.

The Defense Department began amassing a giant DNA registry on military and civilian personnel five years ago solely, officials say, to assist in identifying the remains of personnel killed in the line of duty.

Civil libertarians have objected to the program, citing potential abuse of DNA information and questioning the adequacy of privacy safeguards. The concern is that the military databank could be used in criminal investigations, medical research, employment and health insurance actions or other purposes outside a donor's control.

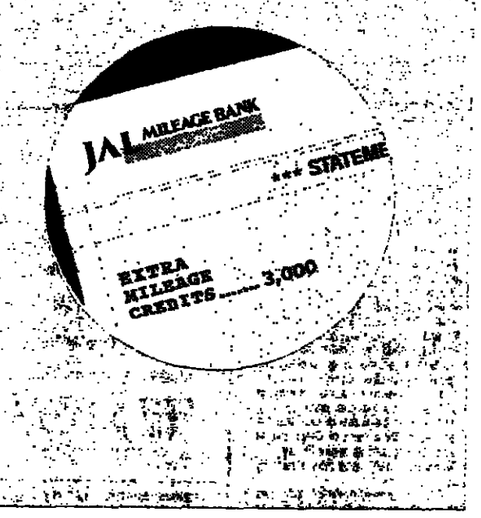
The Pentagon strengthened privacy protections last year, allowing donors to request the destruction of their DNA samples after leaving the Defense Department.

Last year, two Marines were discharged for disobeying orders to donate DNA samples. An air force sergeant was demoted and his pay reduced for the same reason.

And a female air force reservist with 18 years' service who refused to supply a sample was ousted from the reserve and fired from her civilian administrative job at a military base.

Mr. Power, 32, belongs to a "medicine lodge," a group that studies and celebrates American Indian beliefs not specific to any tribe. The lodge teaches that the body is the only absolute physical possession and, as such, is sacred to the individual.

"My genetic makeup is a sacred expression of my divine purpose on this planet," Mr. Power said.



Take a qualifying flight with Japan Airlines, and we will be pleased to get your membership of our frequent flyer programme off to this flying start. On top of the mileage credits you'd expect, we'll add 3,000 more with your first flight as a JAL Mileage Bank member.

After your first return flight from Europe to Japan, you're already eligible for a free flight elsewhere. And you can also use mileage credits with Air France, British Midland, American Airlines and at JAL Group hotels world-wide.

To join JMB, simply staple your business card to this advertisement and send it to the JAL Mileage Bank Centre, 5 Hanover Square, London W1R ODR, U.K.

JAL Japan Airlines

A BETTER APPROACH TO BUSINESS

Away From Politics

• **A Marine who had been absent without leave** since the Vietnam War has been charged with desertion. Private Randall Caudill, 48, was charged with "desertion terminated by apprehension," which carries a lesser penalty than "desertion with intent to avoid hazardous duty or shirk important service," said a spokeswoman at Camp Pendleton, California. *(AP)*

• **American Airlines and seven other companies** agreed to pay $110 million to settle lawsuits filed by relatives of 27 of the 68 people killed when an American Eagle plane crashed into a field in Indiana in 1994. *(AP)*

• **A $64.8 million satellite** — spinning slowly out of control since its launching last month — is expected to fall out of orbit and burn up in the atmosphere this week, NASA officials said. *(LAT)*

37 Lambton Road, London SW20 0LW U.K.
Fax: (44 181) 944 8243
E-mail: paulbaker@btinternet.com

To obtain the latest Breguet catalogue please send your name and address to fax number 41 21/728 24 84, indicating code no 409
MONTRES BREGUET SA - Avenue Général-Guisan 46 A - Switzerland - 1009 Pully • Phone 41 21/728 20 01

Smoke and Pollution Worsen Over Malaysia

Officials Weigh Evacuation of Sarawak As Danger Index Soars to Record Levels

Compiled by Our Staff From Dispatches

KUCHING, Malaysia — The smoke haze over the Malaysian state of Sarawak in Borneo rose again Tuesday to record danger levels, and officials weighing an evacuation said there was nowhere to send people.

"Visibility is so bad that I cannot drive any more," said a motorcycle rider in the state capital, Kuching. "I cannot even see the lights ahead."

Brunei, Singapore, Malaysia, the southern Philippines and parts of the Indonesian archipelago have been enveloped in smog caused by the burning of huge tracts of bush and forest in Sumatra and Kalimantan, the Indonesian part of Borneo island.

At least some of the fires have been set by plantation owners to clear land, officials in Malaysia said. Unusually dry weather resulting from the El Nino weather pattern has contributed to the problem, meteorologists said.

The Bernama news agency said 2,000 fire fighters from Malaysia, including medical and communications experts, were leaving for Indonesia in stages to help put out the fires that are causing pollution through Southeast Asia.

Information Minister Mohammed Rahmat said the evacuation of Sarawak's 2 million people would be a final resort, although Prime Minister Mahathir bin Mohamad said he was uncertain where to send them.

"To evacuate, we have to find a place, and that is not easily found," Mr. Mahathir said, noting that the neighboring state of Sabah on Borneo was also affected. "But if we cannot, we will ask people to wear masks and things like that," he added. "What we want to really do is to try and help put out the fires in Indonesia."

Residents of Sarawak rushed to stockpile water, rice and other staples, fearing an evacuation or curfew, and were told to remain calm.

"Don't panic, there are adequate supplies of everything," George Chan, deputy chief minister of Sarawak, said at a news conference.

But in local newspapers Tuesday, the Kuching water board urged people to save water and warned that rationing might be imposed.

The international airport in Kuching and other airports in the state remained closed, as did schools, businesses and factories. No curfew has been imposed, and people who wanted to work could do so.

Newspapers reported Tuesday that more than 5,000 people in Sarawak alone had reported to hospitals with pollution-related illnesses.

Thick smoke also hampered relief flights across the drought-stricken Indonesian half of New Guinea, a Christian missionary group said Tuesday.

"There are fires and smoke everywhere we go," said Wally Wiley of the Missionary Air Service, which delivers food, medicine and other supplies to more than 200 remote villages in the Irian Jaya Province. "Sometimes it's so thick we can't take off," he said.

Many communities face famine and disease.

The Air Pollutant Index in Sarawak rose to 851 at 1 P.M. but improved to 722 by 5 P.M. On Monday the index slipped to 366, a "hazardous" level, after a high Friday of 634.

Sarawak declared a state of emergency Friday, ordering businesses, government offices and schools shut and advising people to stay indoors.

But the warning has been largely ignored by businessmen and workers who donned surgical masks against the smoke. Normally bustling Kuching has been quiet. Witnesses say visibility is only an arm's length.

Health officials said ignoring the smoky haze could be hazardous. Exposure to an index level of even 200 to 300 for a day would be like smoking 20 cigarettes, they said.

In the Philippines, haze was reported Tuesday across the southern island of Mindanao and as far north as Manila.

"We received reports of haze from all our stations in Mindanao," said Ricky Fabregas, meteorologist at the Philippine Atmospheric, Geophysical and Astronomical Services Administration.

"We think it came from the Indonesian fires." Mr. Fabregas added, but meteorologists said it was unclear whether haze further north was linked to the fires. *(Reuters, AP)*

Agence France-Presse

Traffic crawling through the smoky haze along a road in western Sumatra on Tuesday.

BRIEFLY

Philippine Court Rejects Bid to Alter Constitution

MANILA — The Supreme Court threw out a petition Tuesday seeking to allow a signature campaign to amend the constitution so President Fidel Ramos can run for re-election.

Voting 13 to 0, the court upheld a decision by the government's Commission on Election to reject a petition by the People's Initiative for Reform, Modernization and Action, for a plebiscite on lifting term limits on Philippine presidents.

The court also voted, 8 to 5, that there was no need to review its two previous rulings that there is no law providing for a people's initiative to directly amend the constitution. The constitution limits presidents to a single six-year term in an attempt to prevent dictatorships. The next presidential election is in May. *(AP)*

Mongolia Students Protest

ULAAN BATAAR, Mongolia — More than 1,000 Mongolian students demonstrated Tuesday against soaring university fees, saying that increases rises in tuition and lodging could kill higher education in the cash-strapped North Asian nation. Students, many wearing masks and dark glasses, defied laws banning protests in Ulaan Bataar's central Sukhbaatar Square to parade a symbolic black coffin in front of Government House. Mongolia's universities have raised student board and teaching fees in recent months, more than doubling education costs for many students. *(Reuters)*

China Executes 9 Convicts

MACAU — China executed Tuesday nine men for murder and armed robbery, a Chinese court official said.

The criminals, aged 24 to 38, were executed in the city of Zhuhai, in southern China, adjacent to Portuguese-ruled Macau. *(Reuters)*

Marchers Denounce Li

HONG KONG — About 15 democracy campaigners marched to a building where Prime Minister Li Peng of China was giving a speech Tuesday and demanded he step down for his role in the 1989 crackdown on demonstrators in Beijing.

They denounced Mr. Li as "a criminal," accusing him of ordering the military to fire on the protesters at Tiananmen Square. *(AP)*

New Lease on Life For Japan's Old

But Taking Care of Them Is Costly

By Mary Jordan
Washington Post Service

TOKYO — Toshii Takano zips around her village north of Tokyo on the back of a motorcycle, buzzing by buildings and stores she could not have imagined as a child born 99 years ago.

As she nears her 100th birthday, a common milestone in Japan, Mrs. Takano has no plans to slow down. But she promises that, after a recent warning from a police officer, she'll wear her helmet from now on.

"I enjoy touring," she said, describing how she cruises past neighbors' homes and village rice paddies, hanging on tight to the motorcycle driver, her 79-year-old son. "You can't enjoy the view as much from a car."

Mrs. Takano is the face of Japan, a nation whose people live longer than anywhere else. There are so many old people here that 65 is considered relatively young. The term "elderly" is too vague for such a large and diverse group, so people talk about the "young old," the "old old" and the "super-aged." One in 6 people here is older than 65, compared to 1 in 8 in the United States.

According to government statistics released earlier this month, nearly 8,500 people here are older than 100. That number has doubled in the last five years, and it is the latest sign of just how gray the world's most rapidly aging society has become. On average, Japanese women live to 83 and men to nearly 77, the world's longest life spans.

It is not known why people tend to live so long in Japan, but medical experts believe strongly that the Japanese diet, heavy on fish, rice and seaweed and light on beef, has something to do with it.

There are so many old people here that 65 is considered relatively young.

The implications of having an elderly population grow so rapidly are enormous, mainly because older people are more expensive to care for than the young. The government is in the midst of difficult debates about how it will pay for the medical treatment, nursing care and pensions of its aged citizens. Every day, radio and television talk shows focus on issues related to the elderly, such as whether it makes sense for people to retire at 65 or whether the government should revoke driver's licenses of those in their nineties.

Tour organizers have dived headlong into the "silver industry," offering special travel packages for active seniors. Stores are filled with bigger and bigger sections devoted to products claiming to "fizzle" dentures clean instantly and "pep" drinks that are supposed to make imbibers feel 10 years younger. Hair dye seems to sell as well as milk.

"For the first time in our history, we think that if we take care of ourselves, we can have a very active life until the end," said Mariko Fujiwara, research director at the Hakuhodo Institute of Life and Living. Mrs. Fujiwara said many older people are encouraged by seeing so many very active "super-old" people.

"When you have 99-year-olds riding motorcycles, older people feel they don't have to be dependent on others," she said.

More than half of the people in Japan who are 65 or older live with their children, a figure far higher than that of any Western country. Mrs. Takano lives with her son, her granddaughter and her great-granddaughter, who will be married later this year, in an old wooden house next to a rice paddy in Kita-Aizu, a village of 7,500 people. Eighty percent of this small farming village is covered with rice paddies.

"A long time ago, on the way home from the hospital, I let my mother ride on the back of my motorbike," said Kizo Takano. "She was so happy that I started giving her rides all the time."

Mrs. Takano said her secret to long life is to stay upbeat and curious. "I'm interested in a lot of things: Is there really only one sun? Is America vast in land?" she said.

In nearly a century of life, Mrs. Takano said, she has never touched alcohol. She adores flowers and likes to tend the rice paddies. She's basically healthy, except for sore wrists. She takes walks and sleeps well. She refuses to eat the soft food marketed to the elderly. "I like hard food," she said.

"She does what she wants to do, even if someone else tells her not to," said her son.

Mrs. Takano feels lucky. She lives with her son's family, and her three younger sisters, aged 84 to 90, are all alive. Her husband died nearly 30 years ago, in 1968, when he was "young," she said — only in his 70s.

Reparations Offered to Maori

Reuters

WELLINGTON — New Zealand on Tuesday submitted the largest ever offer of reparations to native Maori, covering grievances that date from 157 years ago.

The offer, which could redraw the map of the island, includes $108 million in cash, the right to name rivers and mountains and rights to land and resources.

It also includes a public apology for breaches of the 1840 Treaty of Waitangi between the Maori, the original inhabitants of New Zealand, and European settlers.

The tribe's 12,000 adults will vote on whether to accept the offer, which came after six years of talks.

DO YOU LIVE IN AUSTRIA, BELGIUM, LUXEMBOURG OR SWEDEN ?

For information about subscribing call:
Austria 01 891 363 830
Belgium 0800 17538 (toll-free)
Luxembourg 0800 2703 (toll-free)
Sweden 020 797030 (toll-free).

Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

FOR INVESTMENT INFORMATION
Read THE MONEY REPORT
every Saturday in the IHT.

THE INTERMARKET

GENERAL

Legal Notices

In the Circuit Court of the 11th Judicial Circuit in and for Dade County, Florida, General Jurisdiction Division. Case No. 97-4977 CA. Office of the Attorney General, Department of Legal Affairs, State of Florida, *Plaintiff*, vs. UNIQUE GEMS INT'L CORP., a Florida corporation, a/k/a UGI, and ENRIQUE PIRELA, individually and as President of UNIQUE GEMS INT'L CORP., Defendants.

Notice of Bar Date, Last day for filing all proofs of claims and procedure to determine valid claims.

PLEASE TAKE NOTICE that on June 25, 1997, this Court issued an Order Approving Claims Procedure, Approving Form of Notice and Setting Deadline to File Claims (the "Procedure Order") which set forth the following procedure to determine the valid claims against Unique Gems Int'l Corp. ("UGI") and/or the Receivership's assets, as follows:

1. The Notice shall be published every day for a period of four (4) weeks.
2. All creditors of UGI that desire to preserve any claim against the UGI estate are required to complete a Proof of Claim attached hereto as Exhibit "A" and attach copies of all documents he/she/it intends to rely upon to prove a claim against UGI and/or the Receivership's assets. Any creditor who fails to timely file and serve the Proof of Claim by the Bar Date shall be forever barred and permanently enjoined from asserting any claims against UGI.
3. If you claim to be a valid creditor of UGI, and you wish to preserve your claim against the assets of UGI, you are required to file a Proof of Claim and all supporting documents before Friday, October 31, 1997, (the "Bar Date") by doing the following:
A. File the original Proof of Claim and copies of all supporting documents with:
Lewis B. Freeman, Receiver
3250 Mary Street #103
Coconut Grove, Florida 33133

4. The filing of a Proof of Claim shall be deemed consent to jurisdiction by the Court.
5. You are urged to file a Proof of Claim in the Receivership case. If you fail to file a Proof of Claim, you will not be able to participate in the distribution, if any, from the Receivership for assets recovered by the Receiver.
6. Further, you are advised that the Receiver is not providing legal advice or tax consulting services. You may want to contact your own counsel in filing this claim. You may also want to seek the advice of tax consultants/accountants.
7. To participate in a distribution of monies recovered from assets of UGI or third parties, you must properly fill out this form and submit it as indicated herein in a timely manner.
8. Any Proof of Claim not timely served will be disallowed and any documents raised upon by the claimant to support its claims which are not timely filed and served in accordance with this notice will be inadmissible at any evidentiary hearing or trial conducted in this proceeding.
THE DEADLINE TO FILE YOUR PROOF OF CLAIM IS, FRIDAY, OCTOBER 31, 1997
DATED:
MISHAN, SLOTO, GREENBERG & HELLINGER, P.A.
Attorneys for the Receiver
3350 First Union Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
(305)378-7782
By: Andrew B. Hellinger, ESQ.
Fla. Bar No. 861553

Announcements

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

SUBSCRIBER CUSTOMER SERVICE: For questions or queries about the delivery of your newspaper, the status of your subscription or about ordering a subscription, please call the following numbers: EUROPE, MIDDLE EAST AND AFRICA: TOLL FREE - Austria 0660 8120 Belgium 0800 17538 France 0800 437437 Germany 0130 849585 Italy 167 780040 Luxembourg 0800 2703 Netherlands 06 0225158 Sweden 020 797099 Switzerland 155 5757 UK 0800 885965 Elsewhere (+33) 1 41439361 THE AMERICAS: USA (toll-free) 1-800-8822884 *Elsewhere (+1) 212 7523890* ASIA: Hong Kong 2922 1171 Indonesia 809 1928 Japan (toll-free) 0120 464 027 Korea 3672 0044 Malaysia 221 7055 *Philippines* 895 4946 Singapore 325 0834 Taiwan 7753456 Thailand 277 4485 Elsewhere (+852) 29221171

OUR NEXT SPECIAL HEADING:
REAL ESTATE
in the SOUTH of FRANCE
the RIVIERA and MONACO
(Sales and Rentals)
will be appearing on
Friday, October 3rd
For more details please contact:
INTERNATIONAL HERALD TRIBUNE
PARIS Tel: +33 (0)1 41 43 93 65
or Fax: +33 (0)1 41 43 93 70
E-mail: vboyle@iht.com

VIENNA, AUSTRIA. Tel: 713 - 3374. Are you sad or worried? Lonely or depressed? Are you despairing or suicidal? It helps to talk about it. Phone: BEFRIENDERS in total confidence Mon-Fri. 9:30 am - 1 pm and every day 6:30 pm - 10pm.

Friendships

HIGH CLASS ATTRACTIVE LADY young 60ish. French aristocrat background, personality +, financially secure. Seeks goodlooking high class gentleman, financially secure with moral values to share life. Fax 714-642-7111 USA

BRITISH AIR HOSTESS in Singapore seeking wealthy businessman for fun times. Page me Ashley 95372456

Legal Services

DIVORCE 1-DAY CERTIFIED Call or Fax (714) 968-6885 Write: 16787 Beach Blvd. #137, Huntington Beach, CA 92648 U.S.A. - e-mail - wstorm@juno.com

DIVORCE IN 1 DAY. No travel. Write: Box 377, Sudbury, MA 01776 USA. Tel: 978/443-8387, Fax: 978/443-0183

THE INTERMARKET Continues on Page 9

AUTOMOBILES

kochpoints tax free cars
Alfred Escher Street 10
CH-8027 Zurich
Fax: 01/202 76 30
Tel.: 01/202 76 10
new TAX-FREE used
ALL LEADING MAKES
Same day registration possible,
renewable up to 5 years
We also register cars with (expired) foreign (tax-free) plates.

Automobiles

PORSCHE CARRERA CUP 1992 road registered new engine gearbox differential. UK£20,000 or nearest offer. Fax +39 574 468444

1971 DAF "55" MARATHON & 1973 DAF "33" DAFFODIL. For parts & or collection only. Call +33 (0)1 41 43 93 00

Auto Rentals

RENT AUTO DERGI FRANCE: WEEKEND FF500 - 7 days: FF1500. Paris +33 (0)1 43 68 55 55.

Auto Shipping

SAVE ON CAR SHIPPING. AMESCO, Kribbestr 2, Antwerp Belgium. To/From US, Africa. Regular Ro-Ro sailing. Free hotel. Tel: 32/3/231-4239 Fax 232-6353

Autos Tax Free

ATK WORLDWIDE TAX FREE CARS. Export + shipping + registration of new & used cars. ATK NV. Temiddes 40, 2930 Brasschaat, Belgium Phone +32 3 6455002, Fax +32 3 6457109 ATK, since 1959

FRED OPERT RACING WORLDWIDE New U.S. models FreeEuropeanShipping JEEPGrandCherokeeLtdVBleather$33,990 JEEP CHEROKEE's 98 RightHandDrive 4door, 4x4, 4.0 liter automatic air cond cassette Powerwindows & locks. $26,990 ChevroletCamaroZ28ConvertibleSspd a/c powertop/seat/windowlocks leath$23,990 SUZUKI VITARA 2door 4x4 softtop 5spdABS airbags cassette ps $13,499 1998BMW323iC aircond 2.5lit6cyl cassette alloys airbags $32,599 BMW528iA moonroof leather aircond alloys wood cassette 4airbags$43,799 BMW540iA 4.4V8 equip as above$49,136 please fax for quotes on other vehicles Phone1-201-3271111 Fax1-201-3278222

TRANSCO BELGIUM
20 YEARS WE DELIVER CARS TO THE WORLD
All makes and models
Export Sales - Registration
Shipping - Insurance
Transco, 51 Vosseschijnstr., 2030 Antwerp, Belgium.
Tel: +32 3 542 62 40
Fax: +32 3 542.58.97

25 YRS OCEANWIDE MOTORS
worldwide supply of tax-free cars AUDI Mercedes, BMW, Porsche Call Germany +49-211-4493930, fax 49-211-44 939322

TAX FREE WORLDWIDE REGISTRATION
No Travel by owner & car for plates. Unlimited. Fax: +41 32 645 27 26, Tel: 27

CONFERENCES

September 25-29, 1997
CANADA - IMMIGRATION
FOR INVESTORS, SELF-EMPLOYED AND SKILLED WORKERS
FREE SEMINAR: ESTABLISHING IN CANADA
given by: Hugues Langlais, lawyer, Immigration Specialist, member of the Quebec Bar and the Canadian Bar Association
LONDON: 25 september, 15h00, Hotel Holiday Inn Kings Cross I, Kings Cross Road
PARIS: 29 september, 10h00, Hotel Lutecia 45, boul. Raspail, Paris 75006
You must confirm your presence by fax or e-mail Maximum attendants - 25 persons:
HUGUES LANGLAIS & ASSOCIES
- 6955 Taschereau, s. 201, Brossard (Québec) J4Z 1A7 CANADA
Fax: 1-514-678-5782, e-mail:hugues@langlais.com
LONDON - PARIS
TO ADVERTISE IN CONFERENCES & EXHIBITIONS, PLEASE CONTACT PARIS ON FAX: +33 1 41 43 93 70

DO YOU LIVE IN DENMARK?
For a hand-delivered subscription on the day of publication in major Danish cities, call 00 33 1 4143 9361
Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Escorts & Guides

BELGRAVIA
ORCHIDS
LONDON - EUROPE
THE FINEST & THE MOST SINCERE 18 - 38+ INTERNATIONAL BEAUTIFUL & ELEGANT STUDENTS SECRETARIES, AIR HOSTESSES & MODELS + AVAILABLE AS YOUR COMPANION Escort Agency Credit Cards Welcome
TEL: LONDON ++ 44 (0)
0171 589 5237

INTERNATIONAL ESCORTS
World's First & Most Exclusive Service Models, Beauty Queens, Actresses Entertainers, Hostesses, Secretaries Multilingual Travel Companions *Rated "Best in New York" by New York Mag.* Featured in international News Media & TV. Video tapes & Photos available for selection. Credit cards accepted.
Hdqtrs: 1-212-765-7896
officeCintl-escorts.com
USA & WORLDWIDE

SWITZERLAND-GERMANY-BELGIUM
++31-20-427 28 27
Zurich-Geneva-Basel-Berne-Frankfurt-Mainz-Wiesbaden-Cologne-Bonn-Dusseldorf-Munich-Berlin-Brussels-Antwerp + A: Vienna
LONDON: (0)171-978 6606
COSMOS Escort Agency - Credit Cards

THE ROYAL PLATINUM SERVICE
EXCLUSIVE TOP FASHION MODELS
ATLANTIC
LONDON PARIS NEW YORK
ALL MAJOR CITIES IN EUROPE
++44(0)7000 77 04 11/22/33
USA & CANADA:212 785 1919
INTERNATIONAL ESCORT SERVICE

VENUS IN FURS
24HR WORLDWIDE ESCORT SERVICE
LONDON 0171 362 7000
All cards Advance bookings welcome

"LA BELLE EPOQUE"
BEAUTIFUL LADIES
English-French-Australian-Brazilian
VIP Escort Service
Knightsbridge 0956 859115

HIGH SOCIETY
Executive Escort Service
Worldwide
Tel: +44 (0) 171 266 1033
07000 4444 76 info@high-society.net

PARIS
APOLLO ESCORTS
service@apollo-consultants.com
+31-654-228-124

CHELSEA ESCORT SERVICE
51 Beauchamp Place, London SW1
Tel: 0171-584 6513

ARISTOCATS Escort Service
3 Shouldham St. London W1
0171 258 0090

HEIDI'S HIGH SOCIETY*VIENNA*PARIS
COTE D'AZUR*ZURICH*GENF*MUNICH
International Escort & Travel
Vienna ++43/1/535 41 04 all credit cards

******** EUROCONTACT INT'L ********
Top local & travel service worldwide
PARIS*STOCKHOLM*GENEVA*ZURICH
RIVIERA*BRUSSELS*LONDON*VIENNA
MILAN*ROME*all GERMANY & N.Y.
Escort Service Vienna ++43-1-212 0431

GUYS & DOLLS ESCORT SERVICE
MILAN*ROME*ITALY*LONDON*PARIS
BENELUX*LUGANO*GERMANY*SPAIN
COTE D'AZUR*SCANDINAVIA*TOKYO
Tel: +39 (0) 335 619 0438 Credit Cards

*** HARMONY - SPAIN ***
TOP CLASS Escort Service English
Tel: 34-1-386.36.88 or 908.81.89.64.
BARCELONA TEL. +34-3-296.86.98

GENEVA PRETTY WOMAN
Call 022 / 346 00 89 Escort Agency
LAUSANNE-MONTREUX- BASEL
ZURICH - CREDIT CARDS

* DUSSELDORF * Upper-class establishment, top level ladies Escort & Guide Service near Dusseldorf & Cologne airports. Tel: 0211-4930513

AMSTERDAM * DREAMS * ESCORTS and Dinner Date Service for Him or Her Tel -31 (0) 20-64 02 666 / 64 02 111

BARBARA ITALIAN BEAUTY High Class, Elegant, Sophisticated Private Escort Service. Call 0802 729 957

BEAUTIFUL BRITISH BLOND ESCORT Service Sophisticated Selective & Cultured Tel 0958 207 950

BERLIN - FRANKFURT
CARISMA ESCORT AGENCY
Tel. 0041-848 80 70 77 - Credit Cards

BLACK BEAUTY ESCORT SERVICE
Exclusive Elegant Educated & Friendly
London & Heathrow 01819062261.Cards

'BUTTERFLIES INTERNATIONAL
FIRST CLASS ESCORT SERVICE
LONDON OFFICE 0171 341 9653

CHAMPERS INT'L EXCLUSIVE
Elegant Escort service - London
TEL/FAX 0171 486 0545

EMMANUELLE'S ESCORT SERVICE
** FRENCH SPEAKING **
LONDON only 0171 262 2386 All Cards

EXCLUSIVE BRAZILIAN-FRENCH VIP
Escort Service in London
Phone 0958 273 0801

* FRANKFURT - WIESBADEN *
Natural, Tall Travel & Escort Service.
Tel. 0171-625 92 95 Daily

HEATHER BEAUTIFUL BLOND private escort service. Kennsington
Tel: 0171 835 1685 or 0171 259 2623.

JAPANESE - BRAZILIAN Escort Service
London Heathrow. Tel: 0956 572 543 or 0958 401 164 all cards

JULIA BEAUTIFUL YOUNG Brunette
Friendly and very Shapely. Private Escort Service London Tel: 0410 772 816

LONDON: SOPHIE Classical Blonde
Beautiful Mature Escort Service
Discreet companion Tel: 0958 539-885

MONOPOL FRANKFURT
THE LEADING ESCORT SERVICE
OFFICE NUMBER 069 / 955 20 774

NEW YOUNG ESCORTS
London's Number One Escort Service
Tel: 0171 834 3339 - 24hrs

NICOLE VERY PRETTY AND SHAPELY
Young Blond. Private Escort Service
London Tel: 0410 789 253

SELECT NO 1 ESCORT AGENCY Discreet friendly high class escorts & Dinner date Service Call Sophie: 0956 618678

VALENTINES INTERNATIONAL
VIP Escort Service photos to view central London office 0171 935 0005 all cards

VERONIQUE VIP Glamorous Style & Class, French Speaking Escort Service
London Tel 0171 2358455 credit card

* ZURICH * CAROLINE *
Escort Service
Tel: 01 / 251 49 47

GREECE: *Hard Test Is Around the Corner for New Virtues Promoted by Government in the Cause of European Monetary Union*

Continued from Page 1

of a leftist party emerging from the defunct Euro-Communists, as the country's favorite politician.

Yet, the current upbeat mood is such that a Greek businessman indeed spent time explaining to a visitor that when the Metro works (it has been planned since 1959), when Athens has a new airport, and when a new north-south highway is completed it will mean fewer cars in the capital, meaning less congestion, signifying less air pollution, and, just perhaps, no more taxi drivers abandoning fares in mid-nowhere — a knee-bone-connected-to-the-ankle-bone vision of an alabaster future, downtown from the Acropolis.

The essential force in this effort is the Socialist government of Prime Minister Costas Simitis, which decided Greece would have to begin to approximate the standards of the rest of the European Union, meeting qualifications for entry into to its common currency by 1999, or be relegated into a league of the economically irretrievable.

This has meant a vast attempt to impose a system of new virtues on a country and a culture whose self-esteem has been deeply tied to resistance to state authority. The reforms center on responsibility, from enforcing tax laws to scrapping do-nothing jobs for political clients to requiring motorcyclists to wear safety helmets. All of this comes as part of an approach that is portrayed as breaking with the sometimes self-pitying, sometimes near hysterical incoherence of Greek policy during the 1980s and early 90s.

"Greece had a bad name, a very bad name in 1993-94," Finance Minister Yannis Papantoniou said in an interview. "A very bad name. Nobody believed me when we said were going to try to achieve the EMU convergence criteria. Most people thought this was just another trick. There was systematic disbelief in what we said. The attitude was we were incapable of being consistent or stable.

"In fact, we had been a pathetic failure. We had one percent growth from 1976 to 1995 and 20 percent inflation. Now the impression has changed. Now my European colleagues take it as a serious possibility that we will join them in the EMU. And the same thing is true of the banks."

The numbers that Greece reports these days to the European Union are signs of real progress, but in no sense a guarantee that the country can achieve the Maastricht convergence criteria next year or in 1999, and actually qualify for the European monetary union after the initial wave.

The primary goal is bringing the deficit toward the 3 percent target by stages, with a movement from 7.4 last year to a planned 4.2 percent at the end of 1997. Among other things, this supposes real success in bringing down inflation. Moving upward at 5.6 percent in August, it was running above the hoped for level, but Yannis Stoumaras, chairman of the government's council of economic advisers, said in an interview that inflation would be about 3 percent at the end of 1998.

In the widest sense, much of these measures of success have been built on Mr. Simitis's ability to convince the Greeks that Europe is their salvation, and that some sacrifice is involved — and not necessarily, as Greek practice used to dictate, just for the other guy.

Jannis Triantafyllou, a psychiatrist who recently returned to Athens after studying and practicing in France and Germany for 24 years, said, "One of the most pleasant sides to my return is the feeling I have that Greece is moving toward reasonability. Take the European Union and Greece. It used to be, 'I grab the father's money, and then I go steal his daughter, too.'

"Not so much any more. Incredible things are happening. They're actually cracking down on drunken driving and not having a helmet when you ride a motorcycle. If you hit exhibitionism and showing-off and irresponsibility in this country, then you are serious and can get results."

But there is some sense that the government is running out of levers. Jason Stratos, president of the Federation of Greek Industries, feels bedrock has been reached in fighting inflation, and that the rest of the way will be very difficult. The government's hard drachma policy has helped, he said, but has also cut back the competitiveness of the Greek private sector by 20 percent.

Now the most difficult steps are at hand. That means privatization and ruthless job-cutting in an economy that Mr. Stratos defines as 60 percent wholly or partially in state hands, including a banking sector that is 70 percent state-controlled.

A fortnight ago, the annual report of the Organization for Economic Cooperation and Development on the Greek economy commended the progress made since 1994, but said that the government's strategy needed "expeditious decisions and swift implementation to remain viable."

Much of the task depends on the unions, allies in theory of the Panhellenic Socialist Movement, or PASOK, Mr. Simitis' party. Christos Polyzogopoulos, president of the Greek General Confederation of Labor, says that "the unions will support the Maastricht targets if there is social sensitivity." But then the caveats come. "At first, workers considered the Maastricht treaty as positive. But now they are more and more skeptical and could become opposed. Europhiles are disappearing because it's a development without social awareness."

Mr. Polyzogopoulos steers around privatization and massive job cutting by saying, "if we could integrate half of our black economy into our nominal economy, we'd have no trouble at all" in making the Maastricht targets. He put at 400,000 the number of workers who did not enter official accounting.

In some PASOK quarters, this "phenomenon" still finds friends and rationalizers. The most artful explanation comes from Evangelos Venizelos, the minister of culture, who said, "the main advantage of our country is a flexible frame of mind, a liberal approach. It's a postmodern approach. The Greek mentality had a lot of problems with industrial society, but we're in tune with postindustrial society. We live better than they do in Britain, and we know how to preserve the social peace."

Serving as Olympic host is a psychic boost, and an incitation to finish a number of major infrastructure projects largely made possible through European Union funding. But the Olympics also emphasize the critical nature of the next two years for achieving the targets because heavy expenditure for the Games will begin to kick in around 2000, bringing as many as 130,000 jobs, but also inflationary pressure from an estimated $1.6 billion in costs.

Growth is currently at a 3.5 percent rate, a good performance reflecting the country's improving reputation, but there are no new money pots at the horizon. There is even the frightening notion that tourism, sometimes listed as the country's single largest money maker, is in deep trouble, with the idea spreading, according to the publisher Antonis Liberis, that "Greece is a five-star site with two-star infrastructure and two-star service."

"This is not something that can be changed from one day to the next," Mr. Liberis said, "and there is the problem because the big issue is service, and that means our mentality."

Even if the convergence numbers eventually add up at the key junctures, and the European Union, with a few years of common currency behind it, decides that Greece has demonstrated its ability to sustain its economy at the desired community level of performance, "who would say that we've reached Europe's standard of living?" Mr. Stratos asks, sounding rather forlorn.

Then he brightens. He says, "We have strong family ties and don't have serious social problems. Nobody goes hungry in Greece. And the night clubs are packed."

ALGERIA: *200 Civilians Are Slain in Escalation of Butchery Close to Capital*

Continued from Page 1

news agencies reported. By either figure, the massacre was the second deadliest since the insurrection against the military-backed government began in Algeria in 1992. The most lethal night of killings took place Aug. 29 in Sidi Rais, also near Algiers, where the government counted 98 dead and hospital sources counted nearly 300.

People in communities just outside Algiers, where most of the recent killings have taken place, are reported to be abandoning their homes and forming self-defense squads to repel the nightly violence. In some places, according to reports, the technique has worked and lives have been saved.

The state of siege felt in these areas is matched at the official level by an apparent state of denial. Only one day before the massacre in Baraki, the Algerian prime minister, Ahmed Ouyahia, appeared on state-run television to repeat the government's contention that its uncompromising approach to terrorism was paying off.

The increased vigilance of the population, the determination of the security forces and the end of political bargaining with outlawed Islamic political groupings, Mr. Ouyahia said, had left Algeria with only "residual terrorism."

The latter term has been used for months by the Algerian president, Liamine Zeroual, even as hundreds more have died at the hands of Muslim terrorists, paramilitary forces, government-armed village militias and unaffiliated gangsters posing as some of the above.

Last week, the U.S. government reiterated its support for the Algerian government's approach in a farewell letter presented to Mr. Zeroual by the departing U.S. ambassador, Ronald Neumann.

Condemning the killings of Algerian civilians as "an outrage to all civilized people," Mr. Neumann's letter expressed support for "military measures, consistent with the rule of law, to protect civilians" and other political and economic reforms that Mr. Zeroual "has publicly chosen." The statement also encouraged "national reconciliation and the inclusion in the political process of all who reject violence."

The prospects for reconciliation looked slightly brighter in mid-July when the government released two leaders of the fundamentalist Islamic Salvation Front. But one of them, Abassi Madani, is again under house arrest, and the government has said it was not negotiating with the Front.

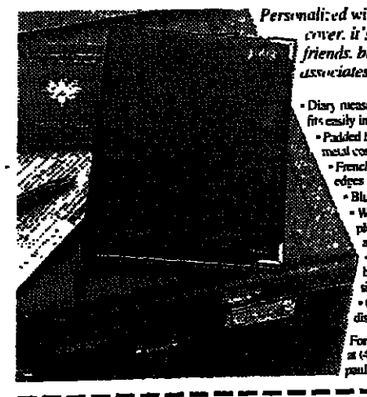
The IHT Desk Diary For the time of your life.

Half your life's story — or even more — is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

That's why the International Herald Tribune — constantly alert to the needs of busy executives — had this desk diary especially designed for its readers. Bound in luxurious silk-grain black leather, it's perfect on your desk, offering all the noting space of any standard desk diary. Yet pick it up and you'll find it weighs a mere 400 grams (14 oz.).

No voluminous data and statistics are included in this diary, but on the other hand a removable address book saves hours of re-copying from year to year.

Please allow three weeks for delivery.



Personalized with gilt initials on the cover, it's an elegant gift for friends, business contacts and associates — and for yourself.

- Diary measures 21 x 15 cm (8 1/4 x 6 in.), fits easily into the slimmest attaché case.
- Padded black leather cover with gilt metal corners.
- French blue paper with gilded page edges
- Blue ribbon page marker.
- Week-at-a-glance format with plenty of space for daily appointments.
- With removable address book, neatly fitted in a blue silk pocket.
- Corporate personalization and discounts are available.

For details, fax Paul Baker at (44 181) 944 8243 or E-mail: paulbaker@ibminternet.com

Please send me_____ 1998 IHT Desk Diaries.
Price includes initials, packing and postage in Europe:
1- 4 diaries UK £35 (U.S.$56) each
5- 9 diaries UK £33 (U.S.$52) each
10-19 diaries UK £31 (U.S.$49) each
INITIALS up to 3 per diary

☐ Additional postage outside Europe £7 (U.S.$11.20).
☐ Check here for delivery outside Europe by registered or certified mail: £5.75 (U.S.$9.20) per package plus postage.
Payment is by credit card only. All major cards accepted.
Please charge to my credit card:
☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ MasterCard ☐ Visa

Card N°_____
Exp._____ Signature _____
Name _____
Address _____
City/Code _____
Country_____
Company EU VAT ID N°_____
24-09-97

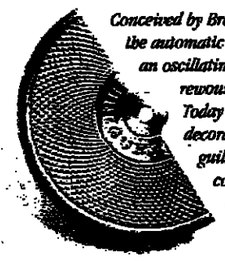
Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

Mail or fax this order form to:
International Herald Tribune Offers,
37 Lambton Road, London SW20 0LW U.K.
Fax: (44 181) 944 8243
E-mail: paulbaker@ibminternet.com

Utter refinement of proportion and finish gives the Breguet style timeless appeal. The delicate hand-worked guilloché engraving on the silvered gold dial was introduced by Breguet around 1786 and requires a level of artistry rarer now than ever.

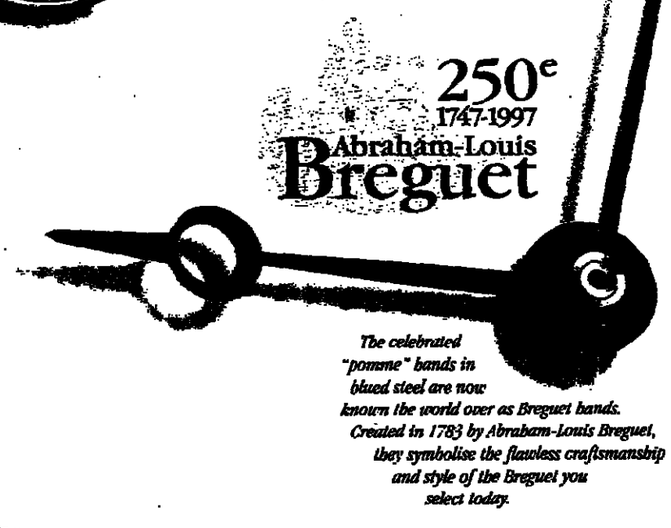
One of Breguet's most ingenious calibres is also one of the most recent. Protected by patent in 1991, it combines in a wristwatch a perpetual equation of time – showing the difference between mean time and true solar time – and a perpetual calendar.

Invented for you



Conceived by Breguet in 1780, the automatic movement featured an oscillating weight that rewound the mainspring. Today the craftsman's hand decorates the weight with fine guilloché engraving to complement the beauty of the movement.

250e 1747-1997 Abraham-Louis Breguet



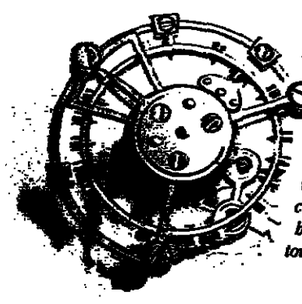
The celebrated "pomme" bands in blued steel are now known the world over as Breguet hands. Created in 1783 by Abraham-Louis Breguet, they symbolise the flawless craftsmanship and style of the Breguet you select today.

A Breguet watch has a unique responsibility: it carries the name of Abraham-Louis Breguet, the greatest watchmaker ever known. And true to our founder's independent spirit and genius for invention, the Breguet watch of today continues to delight and astonish.

The Breguet you select will have its own strong character, based on features that have become legendary. They include the Breguet hands, the shimmering guilloché dial and the finely fluted caseband, all of which require rare skill to produce.

Most important, you will find the hand-finished movement, as inventive today as two hundred years ago. Inspired by an immense legacy of archives, our watchmakers constantly build new technical and aesthetic challenges into the design of our watches.

When you live with such a watch, you will discover pleasure in its smallest detail. But one detail may seem the most significant of all: the individual number inscribed on the dial. The practice of numbering the watches began with the first Breguet ever made. It is the ultimate sign of a most unusual devotion to perfection. Wear your Breguet with pride, you have chosen an exceptional watch.



By inventing the tourbillon device around 1795, Breguet eliminated the influence of gravity on the accuracy of the watch. This pivotal invention is seen at its best in the current collection, which has a number of fine tourbillon watches.

Breguet
Depuis 1775

To obtain the latest Breguet catalogue please send your name and address to fax number 41 21/728 24 84, indicating code no 409
MONTRES BREGUET SA - Avenue Général-Guisan 46 A - Switzerland - 1009 Pully • Phone 41 21/728 20 01

INTERNATIONAL

Dead Dolphins and Toxic Fish: Scientists Hunt Down Seaborne Saboteurs

By Joby Warrick
Washington Post Service

WASHINGTON — When 162 dolphins washed up on Mexican beaches last winter, the police suspected drug gangs of dumping chemicals at sea. Only months later did they find the real killers: billions of toxic one-celled plants that formed a poison net across Mexico's Sea of Cortez.

Farther north, the victims were hundreds of brown pelicans whose bodies littered beaches at Monterey Bay, California, over a few weeks in 1991. That time, the culprit was an ordinary diatom, a microscopic creature regarded as harmless until it suddenly exhibited an ability to manufacture toxins.

And in Maryland and North Carolina this summer, thousands of fish have been stricken with a microbial affliction, Pfiesteria piscicida.

From killer algae to mind-altering microbes, coastal areas worldwide are facing an assault from some of the strangest creatures ever viewed under a microscope. A number of marine ecologists see the attack as part of a global epidemic of an uprising of seaborne saboteurs that are capable of wreaking havoc on coastal economies and ecosystems.

Some, including Pfiesteria, are newly discovered species. Others are spreading into new territories or picking up nasty new habits. All seem to thrive in waters that have become chemically enriched by pollutants from the land.

"Twenty years ago, these kinds of outbreaks were rare," said Nancy Foster, a marine mammal biologist and director of the U.S. National Oceanic and Atmospheric Administration's national oceans service. "When we did see them, they were smaller in scale. Now they're all around the coast, and almost every state is vulnerable."

Indeed, few coastal states have been immune. Between 1972 and 1995, the number of U.S. beaches and estuaries with major, recurring attacks by harmful microbes more than doubled, from 16 to 36, according to a 1995 study. Similar afflictions are plaguing coastal cities worldwide, scientists say, from Hong Kong's polluted harbor to the industrial ports along the Black Sea.

While scientists cite strong circumstantial evidence that links human pollution to the recent outbreaks, they acknowledge that the cause has not yet been established.

Indeed, they say it is likely that the explosion of newly discovered toxic species is partly attributable to the increase in the number of scientific observers.

"Ten years ago, people started realizing these things were out there, and so more grant money is being spent to find them," said Stuart Hurlbert, a biologist with San Diego State University. "It put people in a detective frame of mind."

But there also are clear signs that humans have reshaped coastal environments in ways that favor some of the toxic creatures. Probably the biggest single change is the ever-growing volume of nutrients — waste from sewage plants and factories as well as runoff from farms, lawns and city streets — in coastal waterways.

The invaders belong to the invisible universe of algae, dinoflagellates and other one-celled organisms that form the base of the food chain in the world's oceans. A minute fraction are known to produce neurotoxins and other poisons that can harm higher animal forms.

But in the last 20 years, scientists say, the natural balance seems to have shifted to allow "hidden flora" to blossom in new and deadly ways.

"In 1984, we knew of 22 species of harmful dinoflagellates; now there are more than 60," said JoAnn Burkholder, the aquatic botanist who was the first to link Pfiesteria to dead fish along the North Carolina coast. "What we do know is they are cropping up mostly in poorly flushed bays and lagoons where there has been nutrient enrichment" — from runoff with natural and artificial fertilizers from cities, industries, suburbs and farms.

Some of the outbreaks, such as the Pfiesteria attacks in North Carolina and Maryland, have killed large numbers of fish and prompted the closure of waterways. As recently as last week, an apparently unknown species of toxic algae was suspected in the deaths of thousands of reef-dwelling tropical fish off the coast of southeast Florida. Many of the fish were covered with sores similar to those caused by Pfiesteria.

Some microbes are a direct threat to people. In 1987, a sudden growth surge, or "bloom," of a toxic diatom near Prince Edward Island, Canada, killed three people and sickened more than 100 others who had eaten contaminated mussels. At least five kinds of seafood-borne illnesses are known to be caused by toxic algae, two of which are potentially fatal to humans. One of them, amnesic shellfish poisoning, can cause neurological symptoms such as disorientation and memory loss.

Other toxic outbreaks have decimated wildlife populations. In Florida two years ago, for example, an enormous "red tide" of toxic one-celled dinoflagellates wiped out 304 manatees.

Concern about the apparent escalation of microbe attacks led to the recent creation of the Ecology and Oceanography of Harmful Algal Blooms research center, which is financed by several U.S. government agencies is investigating the phenomenon.

Some scientists suspect global warming is increasing water temperatures, inviting microbes to move into new territories. In addition, aquaculture, or commercial fish farms, and dam construction can cause a shift in the balance of microscopic species that compete for living space in every drop of water.

In Israel, Tug-of-War Over Time

Change to Winter Hours Stirs Resentment From Secular Jews

By Joel Greenberg
New York Times Service

HERZLIYA, Israel — As the sun dipped toward the horizon, Yaniv and Efrat Peri hurried down to the beach to get in a quick walk before darkness fell on this seaside town north of Tel Aviv.

With temperatures here still in the 80s during Israel's lingering summer, the country has suddenly gone off daylight time, moving into what Israelis call the "winter clock" weeks ahead of neighboring countries, Europe, and the United States. On Sunday, the Peris managed their first sunset walk after work since clocks were set back an hour on Sept. 13, bringing dusk soon after 5:30 P.M.

"What proper country is under such influence of the religious?" Mr. Peri said. "It's simply a disgrace."

He was referring to the move by Interior Minister Eliahu Suissa, a member of Shas, a strict Orthodox party, to lop a month off Israeli daylight time, which began March 20 and was supposed to have lasted until Oct. 19.

Mr. Suissa has defended his decision on religious grounds, adding to the simmering debate here over the role religion should play in regulating everyday life. The debate has sharpened since the change of government after national elections last year, when Orthodox Jewish parties gained key cabinet posts in the conservative coalition led by Prime Minister Benjamin Netanyahu.

Setting back the clocks has pushed the balmy Mediterranean evenings here into the end of the workday and rush hour, forcing commuters to drive home in twilight. Children leave playgrounds earlier to go home, lights come on sooner, and air-conditioners are switched on earlier in the morning to counter the effects of a stronger sun.

The costs are significant. Israel Electric Co. says that it saved $3 million during the period of daylight time this year, and the Manufacturers Association of Israel has estimated total savings for the Israeli economy at an average of $114,000 a day.

But Mr. Suissa says the change of rhythm is necessary for the approaching fast day of Yom Kippur and penitential prayers known as selihot said by observant Sephardic Jews at midnight or dawn during the month before the fast.

Setting back the clock, Mr. Suissa says, makes selihot prayer times more convenient and hastens the end of the Yom Kippur fast, which falls on Oct. 11. To Mr. Suissa, the time change is an act of consideration for Israel's religious minority, similar to allowances made for Israeli Arabs. "We demand at least the same rights given to another population," Mr. Suissa said, arguing that daylight time has been delayed in the past to accommodate Ramadan, the Muslim month of fasting.

But Mr. Suissa's move has brought down the wrath of secular Israelis, who accuse him of trying to run their lives according to religious dictates.

"Minister Suissa thinks he is God," Yossi Sarid, a leader of the leftist Meretz party, said in remarks broadcast on army radio. "God says: 'Let there be light,' and there is light. God says: 'Let there be darkness,' and there is darkness. Minister Suissa has delusions of grandeur. It's not enough that he represents God, he is God himself. He says: 'Let there be darkness' in the middle of the summer, and he wants us to live in darkness."

The Associated Press

Deborah Parry, who was found guilty of murdering Yvonne Gilford, escaped becoming the first Westerner to be beheaded in Saudi Arabia.

Nurse in Saudi Arabia Spared Death Penalty

Compiled by Our Staff From Dispatches

DUBAI, United Arab Emirates — Deborah Parry, a British nurse found guilty of murdering a colleague in Saudi Arabia, has been spared the death penalty by the brother of her victim, her Saudi lawyer said Tuesday.

The lawyer, Salah al Hejailan, said a settlement had been reached with Frank Gilford to "waive the death penalty." He added: "It is signed and done and witnessed and authenticated."

Lawyers for the family of Yvonne Gilford, an Australian nurse who was killed in December, said earlier that Ms. Parry, 38, had been found guilty of murder, which carries a mandatory death sentence by beheading.

Under Saudi law, the family of the victim can decide whether a death sentence should be carried out or commuted on payment of "blood money." If a single family member decides against the death penalty, the sentence cannot be carried out. Mr. Gilford had initially opposed commutation.

Mr. Hejailan, the lawyer, said: "The families of the two nurses are pleased that Mr. Gilford came to his senses and made a proper response by signing the settlement agreement. He has done the right thing."

A second nurse, Lucille McLauchlan, 31, was found guilty of being an accessory; and was sentenced to flogging and eight years in prison. Ms. Parry and Ms. McLauchlan were arrested after Ms. Gilford's body was found in December with multiple stab wounds in her room at the King Fahd Military Medical Center in Dhahran.

Ms. Parry would have been the first Westerner to be beheaded in Saudi Arabia. *(Reuters, AP)*

Israel Names 4 of 5 in Blasts, Saying All Were West Bankers

Agence France-Presse

JERUSALEM — Israel made public on Tuesday the names of four of the five suicide bombers from the Islamic Hamas movement who carried out two attacks in Jerusalem in the last seven weeks that left 20 Israelis dead.

The young men, who were being sought by both Israel and the Palestinian Authority before their suicide missions, were from the West Bank village of Asira Shamaliya. It is an area under Palestinian civilian control but security control by Israel, a spokesman for Prime Minister Benjamin Netanyahu said.

They were identified as Nalan Muwalia, Jarara Bashar Sawalha, Tawfik Yassin and Youssef Shualy.

The fifth suicide bomber had yet to be identified, Israel Radio said.

Two men blew themselves up in a Jerusalem market on July 30, killing 15 Israelis. The three others detonated charges in an outdoor Jerusalem shopping mall on Sept. 4, killing five Israelis.

The bombings were both claimed by Hamas, the radical Islamic group opposed to the peace process between Israel and Yasser Arafat's Palestinian Authority.

Israeli officials said the fact that the five were from the West Bank proved that the Palestinian Authority had failed in its commitment to fight terrorism.

But Palestinian leaders immediately challenged the assertion, saying the five suspects had evidently come from areas still under Israeli Army control, and might have traveled abroad before entering Jerusalem to detonate their bombs in crowds.

Police officials said the identification of the five was linked to a vast counterterrorism operation carried out over the last three days in areas of the northern West Bank under Israeli security control.

"There is not a shadow of a doubt that these terrorists did not come from abroad," Prime Minister Netanyahu said, rebutting repeated assertions by Mr. Arafat. "They were trained in the Palestinian territories. That's where their leaders are."

Mr. Netanyahu said Israel had information that militants were plotting further attacks. He renewed accusations that Mr. Arafat was "embracing terrorists instead of fighting them."

"They are riding a tiger which will one day devour them, devour the chances for peace and the Palestinian Authority itself," he added.

Since the bombings, Israel has arrested 500 West Bank residents, scores in the last three days.

Four of the five suicide bombers were arrested by Palestinian police in March 1996 but escaped five months later.

The Israeli Army's intelligence chief, Moshe Yaalon, stressed that the suicide bombers got their support and orders from areas under Palestinian rule.

BRIEFLY

A Crack Slows Netanyahu's Jet

JERUSALEM — A cracked windshield in Prime Minister Benjamin Netanyahu's plane set off in-flight jitters Tuesday and forced the pilot to travel low and slowly on a journey home from Austria, witnesses said.

The Boeing 707 carrying Mr. Netanyahu landed safely in Israel, but he was 40 minutes late for a meeting in Jerusalem with President Vaclav Havel of the Czech Republic.

"My only thought was that this plane must be replaced — quickly." Mr. Netanyahu replied when asked if he had been scared.

Journalists traveling with the prime minister said the crack appeared about two hours after the plane left Vienna, causing cabin pressure to drop.

The pilot changed altitude from 30,000 feet to 15,000 feet and was forced to reduce speed. *(Reuters)*

Body Is Sighted Off Namibia

WINDHOEK, Namibia — A search aircraft spotted what appeared to be a second body from a suspected collision of two military planes on Sept. 13, but officials said Tuesday that ships had been unable to find it.

Only one body has been found in the waters off Namibia's Skeleton Coast, where a German and a U.S. military transport aircraft, carrying a total of 33 people, apparently collided in midair in Namibia's worst crash in 29 years.

One of the eight German, U.S. and South African planes still searching for survivors saw what appeared to be a body from the air on Sunday.

But neither a French frigate nor a Namibian patrol vessel helping with the search could find the body on Monday, said Lieutenant Colonel Eddie Brown of the South African Air Force.

Faint distress signals were heard two days after the crash. *(AP)*

2 Die in Clash in Chiapas State

SAN CRISTOBAL DE LAS CASAS, Mexico — A clash in the southeastern state of Chiapas left at least two people dead in the first outburst of violence in the region since Zapatista rebels marched peacefully to Mexico City last week.

The clash took place Sunday in Chenalho township between supporters of the rebels and of the governing Institutional Revolutionary Party, said a state prosecutor, David Hernandez. The bodies of two party supporters were found on a roadside, he said. They had been shot. *(AP)*

Montserrat Prods Villagers

SALEM, Montserrat — Trying to force scores of residents to evacuate areas threatened by volcanic eruptions, officials said Monday they were prepared to shut off water and power to several villages on this Caribbean island.

Disaster workers evacuated 80 people late Sunday from the villages of Old Towne, Frith's and Olveston after an eruption of gas and rock set afire the now-abandoned airport, 3½ miles northeast of the volcano.

On Monday, another eruption sent volcanic material to within half a mile of the towns, and scientists said future flows could devastate the area. A few dozen residents packed belongings in their cars and headed north Monday, but most appeared to be ignoring the warnings. *(AP)*

For the Record

The wall of a subway tunnel under construction in the Tehran carpet market collapsed Tuesday, injuring two persons and damaging four shops, officials said, and a spokesman for Metro Tehran said relief workers were clearing debris to see if anyone had been trapped. *(AP)*

Serbs Attack NATO Troops

Reuters

SARAJEVO, Bosnia-Herzegovina — Serbs threw Molotov cocktails at NATO-led peacekeeping troops and set a bus on fire outside the north Bosnian town of Doboj on Tuesday, a spokesman for the peacekeepers said.

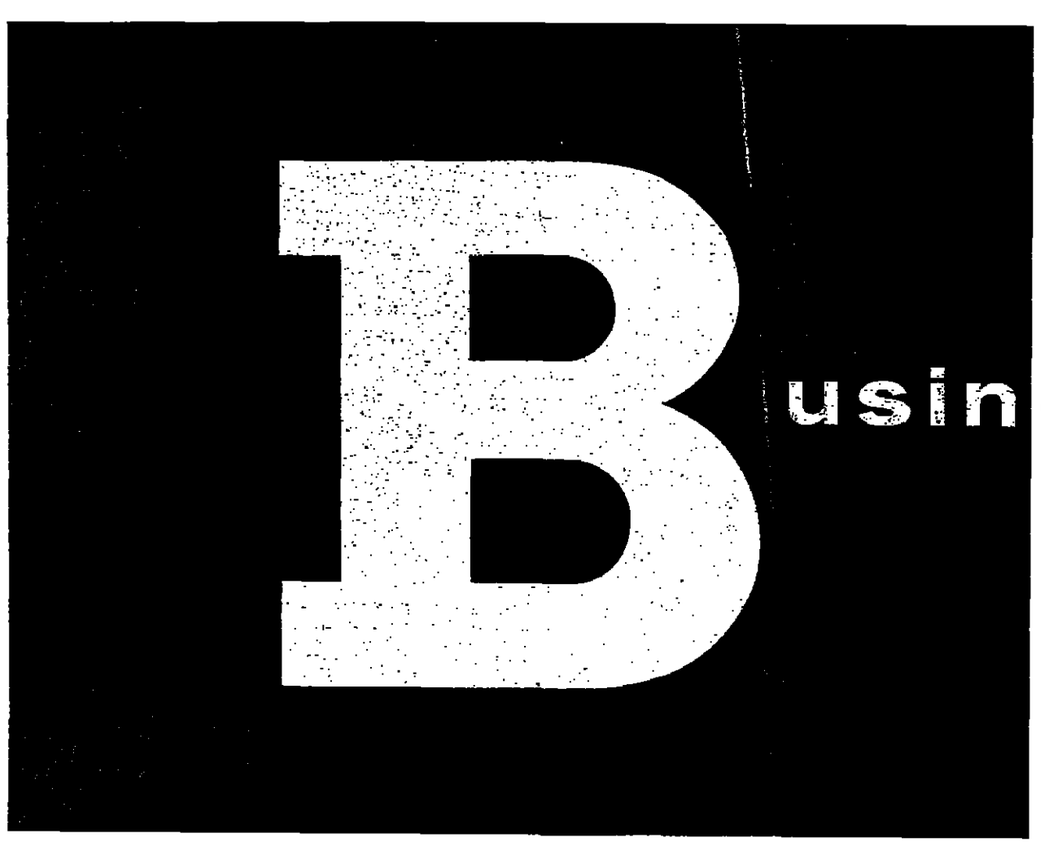
The crowd was demanding the removal of a checkpoint set up by Scandinavian and Polish soldiers of the NATO-led force, at a bridge about 3 kilometers (2 miles) north of Doboj, a spokesman, Jan Joosten, said.

He said that civilians were blocking the road with about 100 vehicles, including buses, throwing rocks and Molotov cocktails, and that one bus was on fire.

Doboj police said NATO soldiers had been checking identity papers and controlling citizens at the checkpoint, which they erected early Tuesday.

Mr. Joosten confirmed that the checkpoint was new, but could not confirm whether it had been set up to prevent hard-line Serbs in Doboj, loyal to Radovan Karadzic, an indicted war criminal, from heading northwest to the town of Prnjavor where a stand-off was continuing between rival Bosnian Serb police forces.

Mr. Karadzic's forces had tried to take back control of the police station in Prnjavor, taken over by police loyal to the Bosnian Serb president, Biljana Plavsic, at the weekend, but had failed in their attempt.



EUROPE

Unionists Sit With Sinn Fein Only to Insist On Its Ouster

Agence France-Presse

BELFAST — Northern Ireland's Protestant Unionists and Sinn Fein republicans sat face to face at the negotiating table Tuesday for the first time since the partitioning of Ireland in 1921.

The Ulster Unionist Party used the historic — and brief — encounter to demand the expulsion of Sinn Fein, the political wing of the IRA, from the multiparty talks on the province's future before storming out without waiting for the republican party's response.

David Trimble, leader of the unionist party, the province's largest, branded the Sinn Fein members present in the room as "godfathers of terrorism" and insisted that "there is no need for us to engage with Sinn Fein at all."

Observers saw the move as a ploy to enable the unionists to enter the talks, and avoid being blamed for snuffing out another chance for peace in the embattled province, while keeping their honor intact.

Mr. Trimble himself insisted after his party's walkout that despite their departure "we are determined to remain one way or another in this process and to represent the unionist cause."

The British and Irish governments will consider the unionists' request before announcing their decision, possibly as early as Wednesday.

But the recriminations did not prevent John Hume, leader of the moderate nationalist Social Democratic and Labour Party, from saying before the talks began Tuesday that "the foundations of the peace process have been laid."

Mr. Hume maintained his upbeat assessment even after the unionist walkout.

"We have got to the stage now where all the major parties are here," he said. "No one could have forecast that just a few years ago."

Two fringe loyalist parties, the Progressive Unionist Party and the Ulster Democratic Party, have also agreed to participate in the talks. Only Ian Paisley's Democratic Unionists and Robert McCartney's U.K. Unionists are keeping up their boycott.

The Ulster Unionist Party's decision to meet face to face with Sinn Fein was seen as a recognition that Prime Minister Tony Blair is determined to achieve a constitutional settlement in Northern Ireland, whether the unionists like it or not.

Andreas Altwein/Agence France-Presse

GERMAN POSTAL STRIKE — Postal workers in Berlin carrying placards Tuesday with names and dates of post office closures. They also protested a bill that would open package delivery to competition.

Milosevic Party Faces Prospect Of Sharing Power After Vote

The Associated Press

BELGRADE — The party of Slobodan Milosevic will be forced to share power for the first time since Yugoslavia's most powerful politician took control 10 years ago, according to near-complete Serbian election results announced Tuesday.

With 236 of 250 parliamentary seats counted in the former Yugoslavia's dominant republic, Mr. Milosevic's Socialist bloc had 98 seats and the ultranationalist Radical Party had 80. The opposition Serbia Renewal Movement had 45 seats and the remaining 13 were distributed among five smaller parties.

The Socialists were expected to form a coalition with the Radicals, whose nationalism eclipses even the extreme views the Socialists propagated during the bloody breakup of the former Yugoslavia.

Although Mr. Milosevic has moved away from nationalism to placate the outside world and stay in power, his party has worked with the Radicals when both parties thought it politically expedient.

The final district to be counted will send 14 deputies to Serbia's Parliament, all of them certain to come from the Socialists or the Radicals. The district is in Kosovo, the southern region where ethnic Albanians, who make up 90 percent of the population, boycotted the vote because they want independence. As a result, a small number of Serb voters will decide the election in the district.

In the presidential race, Mr. Milosevic's protégé, Zoran Lilic, faces a runoff against the Radical Party's leader, Vojislav Seselj. Mr. Lilic failed to win the 51 percent of the vote required for a first-round victory, but he is expected to win in the second round scheduled for Oct. 5.

Voter turnout was 62 percent, despite a boycott by a large section of the prodemocracy opposition. Belgrade's mayor, Zoran Djindjic, one of the leaders of protests last winter against the Milosevic regime, had hoped that at least 51 percent of the electorate would boycott the vote and render it invalid.

His Democratic Party said the state media's campaign coverage was heavily biased in favor of the Socialists.

Monitors from the 54-nation Organization for Security and Cooperation in Europe said the "process leading to the election was flawed," although "technical" polling on election day was lawful in most places.

BRIEFLY

Aznar Loses the Support Of Key Legislative Ally

MADRID — Prime Minister Jose Maria Aznar of Spain and his ruling Popular Party came under pressure Tuesday after one of their parliamentary allies said it was withdrawing its support.

The Basque Nationalist Party, which lent its backing to Mr. Aznar's minority government to give it a majority in Parliament, said it considered its pact broken after a dispute over regional finances. The break between the two parties weakens Mr. Aznar, leaving him just a one-vote margin to pass legislation.

"We will continue negotiating each issue, as one does in a party that is not in strict opposition," Xabier Arzalluz, the Basque Nationalist Party leader, told Basque television.

The Basque nationalists said the move would not affect the 1998 budget. Budget Secretary Jose Folgado said the government expected full support from the Basque party when it submits the budget later this year. Analysts said the move would not affect Spain's possible entry into Europe's monetary union since Mr. Aznar could still rely on support from Catalan nationalists. *(Reuters)*

German Far-Right Party Contests Hamburg Tally

MUNICH — The far-right German People's Union said Tuesday that it planned a legal challenge against the Hamburg election result Sunday.

The party was only 230 votes short of clearing a 5 percent hurdle needed to win seats.

The party's national leader, Gerhard Frey, said at a news conference that the votes had been tampered with. The Union received 4.971 percent of the vote.

State election officials in Hamburg said that they had been extremely careful in counting the votes for the People's Union because it was so close to the 5 percent threshold. *(Reuters)*

Russia Denies Losing Track of Nuclear Bombs

MOSCOW — A Russian government spokesman Tuesday denied the existence of dozens of suitcase-sized Russian nuclear bombs and the implication that authorities had lost control of their weaponry.

The spokesman, Igor Shabdurasolov, dismissed the latest claim on the alleged missing bombs made by Alexei Yablokov, a prominent ecologist and former environmental adviser to President Boris Yeltsin.

Mr. Yablokov said Monday that some bombs may be unaccounted for.

"Any assertions on the notorious nuclear suitcases do not correspond to reality," Mr. Shabdurasolov said at a briefing, according to Russian news agencies. *(AP)*

For the Record

A U.S. Navy plane skidded off the runway at an American base on the Greek island of Crete on Tuesday, damaging the plane but causing no injuries. *(AP)*

The European Commission has asked German federal authorities to close down an unnamed German company by Friday after its inspectors uncovered evidence of fraud concerning British beef imports, a spokesman said Tuesday. *(Reuters)*

The captain and crew operating the Estonia passenger ferry when it sank in a Baltic Sea storm in 1994, killing 852 people, did not do enough to warn passengers before the ship went down, an expert said. *(Reuters)*

DO YOU LIVE IN FRANCE?

- Subscribe and SAVE up to 60% off the cover price.
- Also available: PAY MONTHLY by easy, low cost, direct debit.

EARLY MORNING DELIVERY TO YOUR HOME OR OFFICE.

A cosmopolitan, comprehensive and concise newspaper delivered every day to your home or office.
In and around most of Paris the International Herald Tribune offers early morning hand delivery on the day of publication, Monday through Saturday. And, because it is printed in Paris, Toulouse and Marseille, it can be sent by post to arrive on the same day in most of France at no extra cost.
The result?
Unique coverage of the world you live in, brought to you as it changes – daily.

For more information about easy ordering and availability of hand delivery call our Subscriber Customer Service Unit:
Toll free: 0800 437 437
or Fax: 01 41 43 92 10.

PAYMENT BY MONTHLY DIRECT DEBIT

☐ YES, I'd like to subscribe and have my bank account *debited monthly* by FF162.
Please start my subscription and send me a bank form to arrange my payment.

PAYMENT BY CHECK OR CREDIT CARD

☐ YES, I'd like to subscribe and pay for the following term:
☐ 12 months (+ 2 months free): **FF1,950** *(Saving off cover price: 46%)*
☐ Special, 2-month trial subscription: **FF210** *(Saving off cover price: 60%)*
☐ My check is enclosed (payable to the IHT)
☐ Please charge my:
☐ Access ☐ Amex ☐ Diners
☐ Eurocard ☐ MasterCard ☐ Visa
Credit card charges will be made in French Francs at current exchange rates.
Card N°:_____ Exp.:_____
Signature:_____
☐ Please start delivery and send invoice.

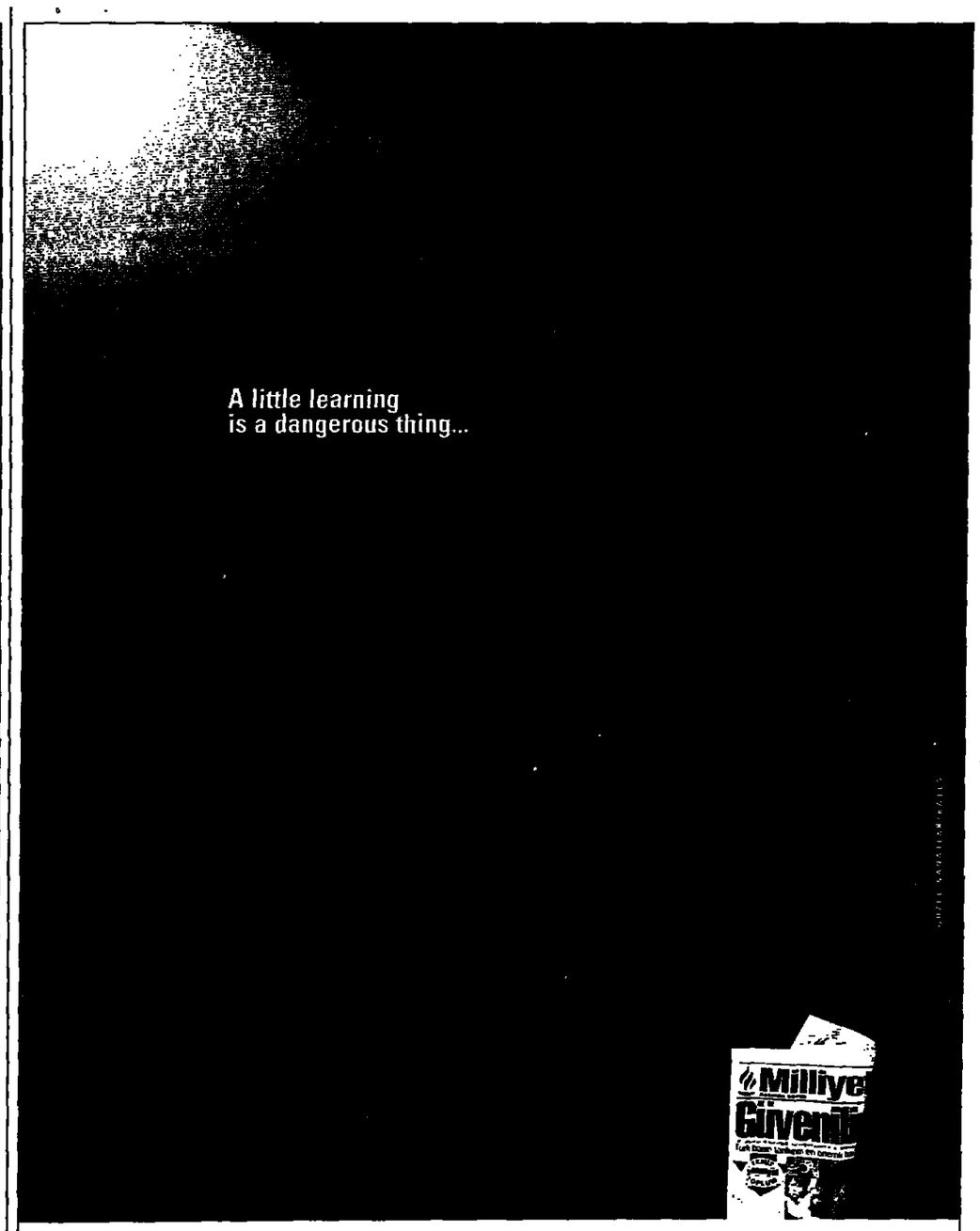
YOUR DETAILS

Family Name:_____
First Name:_____
Job Title:_____
Mailing Address: ☐ Home ☐ Business
_____
_____
Postal Code:_____
City:_____
Tel:_____ Fax:_____
E-Mail Address:_____
Your VAT N° (Business orders only)
_____
(IHT VAT N° 747 320 211 26)
I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other
☐ I do not wish to receive information from other carefully screened companies. 24-9-97

This offer expires on December 31, 1997 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to:
Subscriptions Director, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex.
Fax: 01 41 43 92 10 E-Mail: subs@iht.com FR14

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:
EUROPE, MIDDLE EAST & AFRICA Tel: +33 1 41 43 93 61 Fax: +33 1 41 43 92 10
THE AMERICAS Tel: (USA toll free) 1-800-882-2884 Fax: +1 212 755 8785
ASIA Tel: +852 29 22 11 71 Fax: +852 29 22 11 99



Always providing you with a more complete and up-to-date news coverage than any other daily publication in Turkey, the country's most trusted newspaper Milliyet, is proud to give its full support for all kinds of activities and organizations concerning the enhancement of information acquisition and higher learning.

Milliyet

INTERNATIONAL

Crew Restarts Computer As Mir Awaits Shuttle

Compiled by Our Staff From Dispatches

MOSCOW — The crew of Mir restarted the space station's balky computer early Tuesday and repaired other problems in advance of a rendezvous with the U.S. shuttle Atlantis this weekend.

Repairing the main computer for the third time in as many weeks, the two Russians and one American on board replaced a faulty computer block, loaded software programs and restarted Mir's gyroscopes, which point the space station toward the sun, said a Mission Control spokesman, Valeri Lyndin.

The crew worked all night and went to sleep at 9 A.M. Moscow time Tuesday, after ground controllers ordered them to take rest for about seven hours, Mr. Lyndin said.

The team, Anatoli Solovyov, Pavel Vinogradov and Michael Foale, also replaced a faulty fan in the carbon dioxide removal system. They planned to switch on most equipment later Tuesday after the gyroscopes were fully activated.

When the computer goes down, so does the gyroscope system that keeps the station in the right position for docking with other spacecraft, such as the space shuttle. The loss of orientation also means the Mir's solar panels lose the best angle to soak up energy from the sun, which forces the crew to switch off most of the station's equipment to save power.

The crew has reported no further leaks of a mysterious brown fluid, which were spotted twice Monday. Ground controllers suggested the fluid might have been leftover fuel from an unused engine or some substance from the damaged Spektr module, but no definite conclusion has been reached, Mr. Lyndin said.

Atlantis, tentatively scheduled for a Thursday launching, is due to dock with the Mir station Saturday to pick up Mr. Foale and drop off his replacement, David Wolf. Senior managers of the National Aeronautics and Space Administration were waiting for one last safety report before giving final clearance for Atlantis's flight and for Mr. Wolf's four-month stay aboard Mir.

NASA said it would continue to monitor the state of the Mir space station "up until the time of liftoff."

Atlantis will deliver to Mir a variety of repair gear, including a spare computer. The 27-kilogram device arrived Monday at the Florida launching site from Russia. It will be stowed aboard the shuttle Wednesday.

Air force meteorologists forecast a 70 percent chance of acceptable weather for the blastoff Thursday. *(AP, Reuters)*

Wieslaw Lubasz/Reuters

Jean-Loup Chretien, a French astronaut who is a member of the Atlantis crew, arriving at the Kennedy Space Center in Florida.

MIR: *Astronaut Is Ready to Climb Aboard*

Continued from Page 1

according to independent analysts.

But Mir is not the only issue. One of the lessons NASA flight managers have learned is that, if they want to keep putting humans on long-duration space flights of any kind, they must not only worry about safety and productivity aloft but also face the tough job of educating the public on the ground.

That is because, they say, space is inherently risky and there will always be human and mechanical fallibility to contend with, not to mention routine maintenance, whether the facility is 11 years old, like Mir, or new. If you like the Mir "show," in other words, you'll love the long-planned $60 billion international space station, whose construction is scheduled to begin next year in orbit, with more than a dozen countries taking part.

Even though "space flight has been a complex business for some years now," Mr. Wolf said, "the fact is that both of us, Russians and Americans, are very young, and just making the first baby steps toward living and working in space, as societies. Therefore we have a multitude of issues to work out."

The question is, if the American public does not understand, or trust, NASA's assessment of Mir's problems today, how will the agency sustain its hard-won support through the difficulties likely to bedevil the most ambitious international engineering project in peacetime history? Has the nation become too "risk averse" to lead such an undertaking?

"I'm worried about whether the country still has the courage to do high-technology projects like this," said Frank Culbertson, NASA's manager of joint U.S.-Russian space activities, the man who is sending Mr. Wolf to Mir.

Mr. Culberston is a former navy test pilot who has experienced shipboard fires, 350 carrier landings and other hazards. He is also a former astronaut who once sat strapped into the shuttle cockpit three seconds from liftoff when the firing shuttle main engines had to be shut down suddenly. He helped investigate the 1986 Challenger disaster, in which the shuttle crew of seven perished.

The public's focus should not be solely on the "problems" in orbit, but also on the response of well-trained personnel, Mr. Culbertson said. "I don't mind people asking the hard questions, but it bothers me if they aren't hearing the answers," he said.

One of his main priorities of late, he said, has been to persuade other countries that the United States can be a reliable partner.

Valeri Ryumin, director of the Russian agency (now a corporation) that built Mir, said here last week that the news media have exaggerated Mir's shortcomings. He suggested the Americans will look like "sunshine space explorers" if they "head for the hills" whenever something goes wrong. Mr. Ryumin, who faces aggressive opposition to the U.S.-Russian space partnership inside his own country, also suggested that a U.S. default at this point could threaten the start of work on the new space station.

The reason for the evident frustration among spaceflight officials was summed up in testimony before Congress last week by Marcia Smith, an aerospace analyst with the Congressional Research Service. "I think that because there has been so much press attention to Mir lately, almost entirely negative, public opinion is that Mir is a questionable place to send U.S. astronauts," Ms. Smith said. "This may or may not be a justified opinion," she added.

If there were a tragedy aboard Mir, she said, "I think they would wonder why it was that NASA had sent an astronaut up there — what was it that the astronaut was going to do up there that was so important and so valuable that they would risk his life."

Mr. Culbertson and his colleagues maintain that nobody has more reasons to work to prevent the chances of a tragedy in orbit, with all its devastating consequences, than they do, and that they would be leading the demands to bring the crew home if there was a threat to their lives that they could not handle.

Mr. Culbertson, Mr. Wolf and others said they felt that some of the worst possible emergencies that can befall a spacecraft, including fire and collision, have already occurred aboard Mir and been dealt with, as the training called for, without harm to the crew.

Mr. Wolf said he was not enthusiastic about the idea of shuttle flights to Mir at first. But now he says, "I can't imagine going into construction of the new space station" without the Russians.

CHINA: *Li Peng Warns Rich Countries*

Continued from Page 1

politically on the world stage. "What we are seeing here is that whether it is a Mexico crisis or Asia, it is no longer a regional affair, but a global issue in an era of globalized markets," said James Wolfensohn, the World Bank president.

"This new reality has been brought home to everybody I have talked to," Mr. Wolfensohn said in an interview Tuesday.

Mr. Li's speech was accompanied by a warning from Mr. Wolfensohn that the gap between rich and poor nations was "a time bomb which, if ignored, could explode in our children's faces."

For this reason, Mr. Wolfensohn called for "a quantum leap" in international development efforts and announced that the World Bank was "scaling up its work to restructure banking and financial systems in developing countries."

He pointed to the recent currency turmoil in East Asia as evidence of the need for such increased assistance.

Mr. Li, using fairly muscular language to portray China as a champion of poor countries, set forth "six propositions of principle" that he said were aimed at creating favorable conditions and helping developing countries to achieve sustainable development.

Among these was a call for more financial and technical aid and a warning that if the international community wanted to see economic growth "in a peaceful and tranquil environment, then it cannot afford to ignore the reasonable demands of the developing countries and must attend to their concerns over finance, debt, trade, environment and poverty issues."

Mr. Li also said that "trade discrimination and exchanges of unequal values in economic relations should be opposed."

He added that "such practices as bullying the weaker or less fortunate by dint of one's power of wealth should not go unchecked, still less should countries be allowed to impose sanctions, or threaten to do so, at every turn, against others."

Western officials said that some of these references reflected China's displeasure at U.S. demands that Beijing go further in trade liberalization before it can be admitted to the World Trade Organization.

Zhu Rongji, Chinese deputy prime minister, said Monday that it was unreasonable to make "excessive demands" on Beijing before admitting it to the trade organization.

Larry Summers, the U.S. deputy Treasury secretary, said in reply to Mr. Zhu that he was encouraged by promises of banking reforms and a cut in taxes on foreign investment in China. But he insisted that Beijing's entry to the WTO "has to be based on its accepting the norms of openness of the international system."

In his address to the thousands of bankers and government officials here, Mr. Wolfensohn singled out the fight against corruption, saying that the link between good economic performance and open governance must be strengthened, not simply to please the markets, but to build a broad social consensus in developing economies.

"My bottom line on corruption is simple," Mr. Wolfensohn said. "If a government is unwilling to take action despite the fact that the country's development objectives are undermined by corruption, then the bank must curtail its level of support to that country."

■ Hong Kong Policy Cited

Mr. Li, who spoke during his first trip to Hong Kong since the July 1 handover from British rule, also said that China had kept its promise to allow Hong Kong a high degree of autonomy, Agence France-Presse reported.

His assertion was derided by critics in Hong Kong, who charged him with deliberately misleading his audience.

"As a Chinese saying goes, 'Seeing it once is better than hearing about it a hundred times,'" Mr. Li told delegates as protesters gathered outside.

"Now you are in Hong Kong, you can see with your own eyes that the Chinese government's basic policies of 'one country, two systems,' 'Hong Kong people administering Hong Kong' and 'a high degree of autonomy' have been carried out in earnest."

His comments were disputed by people ousted from the elected Legislative Council, which was replaced with a body appointed by Beijing.

Reuters

Prime Minister Li Peng of China, right, making a point during a chat Tuesday with George Bush, the former U.S. president. They spoke at a meeting in Hong Kong during the conference of international financial leaders.

Jiang Will Get the 7-City Treatment During His Visit to U.S.

Los Angeles Times Service

WASHINGTON — President Jiang Zemin plans to visit seven cities this fall in the first trip to the United States by a Chinese leader in nearly two decades, according to U.S. officials.

The itinerary for Mr. Jiang's state visit in late October and early November, worked out recently by U.S. and Chinese officials, calls for him to stop, in order, in Honolulu; Williamsburg, Virginia; Washington, Philadelphia, New York, Boston and Los Angeles before he returns home.

The trip through the United States will be the first of its kind since Deng Xiaoping came to the United States in 1979, shortly after he established diplomatic relations with the United States and consolidated his control over the Chinese Communist Party.

Chinese officials are known to have worried about the possibility that during his time in the United States Mr. Jiang could face demonstrations from democracy activists, labor unions or supporters of the Dalai Lama, the exiled Tibetan leader.

Some Americans privately cautioned Chinese officials against going to Boston, with its heavy concentration of college students, because of potential demonstrations there. But Chinese officials decided that Mr. Jiang should include a stop in Boston, where he is expected to speak at Harvard University.

He will visit Washington on Oct. 28 and 29 for talks with President Bill Clinton and other officials. Administration officials hope the trip will pave the way both for better working ties with China and for greater acceptance by the American public of such a relationship.

U.S. officials had been encouraging the idea of a stop in some Midwestern city, such as Minneapolis or Chicago. But in the last few days, Chinese officials rejected that idea.

"They substituted Los Angeles for Chicago," a U.S. official said. One factor was apparently a feeling among Mr. Jiang and other Chinese officials that he should see the West Coast.

During his visit, Mr. Deng campaigned through the United States almost in the fashion of an American politician. He was photographed waving a 10-gallon hat at a Texas rodeo, staring up at the Harlem Globetrotters in Washington and taking the controls of a space shuttle simulator at the Johnson Space Center in Houston.

ALLIES: *Albright Heralds New Era as U.S. and Japan Expand Their Security Alliance*

Continued from Page 1

from all but defensive operations, no Japanese forces would be required to fight or even enter areas of combat, and Japan's logistical support to U.S. troops specifically excludes providing weapons or ammunition.

The new guidelines still must be approved by the Japanese Parliament, and may stir vigorous public debate. Most analysts say Mr. Hashimoto will be able to push the legislation through because it has strong support from his Liberal Democratic Party and the main opposition party, the New Frontier Party.

With the Soviet Union gone, American and Japanese military planners have focused their immediate thinking on a potential military crisis on the Korean Peninsula. Many strategists in both countries say a strong alliance is also prudent in the face of uncertainties posed by the rise of China.

The new guidelines call for Japanese support for U.S. forces in conflicts in "areas surrounding Japan," but those areas are not specified. Both sides have been purposely vague about the area covered by the pact, particularly whether it would cover a crisis in the Taiwan Strait.

The United States and Japan have repeatedly assured China that their expanded military alliance is not a threat to China, but officials in Beijing have been frequently bitter in their opposition to the pact.

The report itself stressed American and Japanese cooperation with China to ensure security in East Asia. "It is extremely important for the stability and prosperity of the region that China play a positive and constructive role," the report said.

But the Chinese continue to see an expanding military alliance between Japan and the United States as a threat. Chinese officials protested loudly this summer when an official of Mr. Hashimoto's government said the new defense guidelines would obligate Japan to become involved if a confrontation erupted between China and Taiwan, which Beijing regards as a renegade province.

Earlier this month, Mr. Hashimoto went to China specifically to assure officials in Beijing that Japan's strategic alliance with the United States did not mean that Japan considered China a threat. Mr. Hashimoto said the report did not specify particular locations, including the Taiwan Strait, which would be covered under the new guidelines. Indeed, the report issued Tuesday says the areas of military cooperation are "not geographic but situational."

The new defense pact has been hailed by Washington and Tokyo as a major milestone in military relations between the two nations, even though they call for only limited participation by Japan in the event of a Asian military conflict involving U.S. forces.

Japan's support for U.S. troops would not place a single Japanese in harm's way, even in a conflict such as a new war on the Korean Peninsula, which poses perhaps a more immediate threat to Japan than to the United States.

But the items agreed to are remarkable in Japan, and have been described in the Japanese media as "drastic." Attempts to send Japanese troops abroad, even unarmed soldiers on UN peacekeeping missions, have been the subject of emotional debate in Japan, so the new guidelines are seen as groundbreaking in Japan.

"Even though it looks minor from American eyes, this is a big step considering Japan's 50 years of history since World War II," said Tomohisa Sakanaka, a security specialist from Aoyama Gakuin University in Tokyo.

The security alliance is the United States' most important military relationship in Asia. There are 47,000 U.S. troops stationed in Japan, the largest single grouping of the 100,000 or so troops in Asia.

India and Pakistan Hold 'Cordial' Talks

Reuters

NEW YORK — The prime ministers of India and Pakistan held talks Tuesday on their long-standing grievances but did not make any specific decisions, Pakistan's foreign finister, Shamshad Ahmad, said.

"The atmosphere was very warm and cordial, but of course the differences are there," Mr. Ahmad said of the talks between Prime Minister Nawaz Sharif of Pakistan and his Indian counterpart, Inder Kujmar Gujral. No date was set for for future contacts.

Mr. Sharif offered Monday to start negotiations on a nonaggression treaty between the two countries, but Mr. Ahmad said this had not been mentioned at the meeting Tuesday.

RUSSIA: *United Front on Iran*

Continued from Page 1

you anything at all." After meeting President Boris Yeltsin here, Mr. Gore said that "there is no doubt in my mind" that both the United States and Russia "share the same concern about proliferation of weapons of mass destruction and proliferation of technologies that can assist in the delivery of weapons of mass destruction, such as ballistic missile technologies."

Mr. Gore said Mr. Wisner and Mr. Koptev had started a "very intensive" process and would meet again within six weeks. "I can tell you it is a very productive process," he said. "It is making a great deal of headway."

Although the Russians have adamantly denied selling missile or nuclear weapons technology to Iran, nonproliferation experts said the larger problem was with the vast, unprotected military-industrial complex.

It includes many research institutes, fabrication plants and storage facilities where rocket and weapons components and nuclear fissile materials are kept. The workers in these plants have often not been paid for months, creating a powerful incentive to sell material or knowledge.

A report by the Center for Policy Studies in Russia illustrated how 30 gyroscopes used for guiding ballistic missiles were shipped to Iraq from Russia. The guidance systems came out of a warehouse and were sold to middlemen. The center said it had found that Russian export controls on the shipment of such technology were riddled with holes.

Also Tuesday, Mr. Gore announced that Russia and the United States had agreed not to restart any shut-down reactors that produce weapons-grade plutonium, and that Russia will convert with U.S. assistance its three remaining reactors so they cease making weapons-grade plutonium by 2000.

FRANCE: *Surprisingly, Prime Minister and His Policies Inspire a National Shift to a Mood of Optimism*

Continued from Page 1

professor of political science, Olivier Duhamel.

Mr. Jospin's popularity comes at a price, analysts say. By and large he has not undertaken the tough reforms that other European countries have accomplished to prepare for global competition, and he does not plan to. France remains a heavily statist country.

His new budget raises corporate and investor taxes and relies on gimmicks for much of its progress in deficit-reduction. Mr. Jospin also has been aided by faster-than-expected economic growth, which increases government revenue.

Nor has France's high unemployment rate of 12.5 percent yet come down under his tenure. France's restive unions and the prime minister's Communist allies in the Parliament have given him running room so far, but it may not last.

"He's still in the honeymoon phase," said Jean-Luc Parodi, secretary-general for the French Political Science Association. When people start focusing on unemployment again, he said, "then the game will begin."

Still, public sentiment is far cheerier here than it was a year ago. Back then, the talk was of "morosity" and whether France would ever recover from its fundamental pessimism.

From the point of view of the average Frenchman, there has been little material change since then. But people seem to feel better. A poll by the CSA organization found that only 13 percent of respondents thought things were getting worse, while 33 percent saw improvement and 51 percent saw no change. A year ago, 54 percent were pessimistic about the future.

"For the moment, France is breathing," said CSA's poll director, Stephane Rozes. "People know we haven't come out of our difficulties, but they also feel the prime minister takes them into consideration. We are relaxing."

Mr. Jospin himself is riding high in the opinion polls. A poll made public last week showed his approval rating at 58 percent, up from 44 percent when he was elected in June. President Jacques Chirac, a conservative who shares power with Mr. Jospin and who is fighting to remain relevant, was running at 46 percent, according to the poll by the IPSOS organization.

Much of Mr. Jospin's success is attributed to his management style and the people he has appointed to carry out his policies. His predecessor, the tight-lipped, aloof Alain Juppe, appointed a cabinet largely of undistinguished yes men. In Mr. Juppe's first six months, he quickly became unpopular for issuing pronouncements unexpectedly, with no public debate.

Mr. Jospin named the heavyweights of the younger generation of France's leftists. He also put the chickens in charge of their chicken coops. So Dominique Voynet of the Green Party is environment minister and Jean-Claude Gayssot, a Communist, is transport minister and thus inherits France's left-leaning, strike-prone transport unions. Martine Aubry, a well-known campaigner for big government, runs the Labor Ministry and Dominique Strauss-Kahn, a voice from the mainstream left, got the Finance Ministry.

In cabinet meetings, ministers are encouraged to speak their minds and argue issues out. As a result, when the final decision is made, ministers are less likely to criticize it behind Mr. Jospin's back and those French citizens who are paying attention tend to feel that their views have been represented.

People also like Mr. Jospin, who has a low-key manner and cracks a smile occasionally. "He is not a French politician in the usual sense of the word," Mr. Duhamel said. "Politics is not everything in his life" — he seriously considered leaving it in 1992 — "and he is personally happy."

THE INTERMARKET

+44 171 420 0348

BUSINESS OPPORTUNITIES

LIECHTENSTEIN & WORLDWIDE OFFSHORE COMPANIES
• COMPANY FORMATION - READY MADE • MANAGEMENT AND ACCOUNTANCY • INTERNATIONAL TAX, LEGAL AND TRUST SERVICES • BANK INTRODUCTIONS • ASSET PROTECTION • TRADE SUPPORT • TELEPHONE AND MAIL FORWARDING
Free Brochure available in English German and Russian
Intercompany Management
P.O. Box 4431
6304 ZUG - Switzerland
Fax ++41 - 41 - 7105084
e-mail to:@intercompany.ch
http: www.intercompany.ch

INCORPORATE
IN THE SINCE 1899 U.S.A.
Protect Your Personal Assets
• Incorporate in any state including Delaware, Nevada & Wyoming
• LLC's (Limited Liability Companies)
• In as little as 48 hours
Corporate Agents, Inc.
Fax (302) 998-7078
CompuServe GO INC
http: www.corporate.com
302-998-0598

JOINT VENTURE
on the russian security market
SPECIAL PROJECTS
We look for partner who is ready to start in Russia
Fax: +7 3912 210595

Central Europe Telecom Expansion
US telecom consortium/integrator company with privatizing technical offices in Hungary and Romania is looking for strategic investor, preferably with telecom products to market or looking to expand in C.E., C.I.S. and Russian states. Past participation and sales reached $22 Million. Min $250,000 investment is required to participate.
Fax (301) 841-1276 or 1-(212) 274-1883.

MASTERSON LIMITED
MARBELLA SPAIN
We are to assist, not finish unusual finance for developments, exclusive remote sea/beach resort/golf courses, discerning investment, commercial/service enterprises with high earning potential.
Tel: + 345 276-4058
Fax: + 345 276-4579
E-Mail masterson@mercuryinet.es

We sell the following products:
Lenox, Hadro, Waterford, Wedgewood, Christofle, Baccarat, Swarovski, Royal Doulton.
International supplies:
Fax: + 31 (0) 20 6330394 in The Netherlands

EMPIRE STATE BUILDING ADDRESS
Gain instant credibility. Establish a NY presence in the world's best-known building. Mail received, phone answering, conference room, furnished mini-offices.
EMPIRE STATE OFFICE SERVICES
TEL: 212-736-8072 • FAX: 212-564-1135

AUCTION
Wednesday, Oct 8, 1997
1:00 PM CDT in Louisiana, USA
Oil & Gas Production Mobile Submersible Platform
208 ft. x 88 ft x 14 ft 6 in.
Operates in water from 15 to 35 ft; 13,200 barrel capacity; 9-man quarter house; heliport, 10-ton crane; complete production system.
For more information contact:
SERVCORP INTERNATIONAL, INC.
Tel: 504-847-1242 USA
FAX: 504-847-1224 USA

THE GOLD MACHINE
Produce members of Gold
By expert search of 30 years' old Testaments of GOLD and PRECIOUS STONES
Certain Permissions and Set Of Tools
Assistance and Public Press Service to operate and transport with average car
US $ 30.000 Minimum starting capital required
ICEMA PORTRAIT SYSTEMS
Box PMT 09
Rudolf-Diesel-Str. 29, 65760 Eschborn, Germany
Tel. 0049 6173 - 32 20 32 Fax 0049 6173 - 32 20 37

Soccer (Football) World Cup, France 1998,
Tee-shirt coloured with hologram ID tag. Minimum 1 full container of 100,000 units.
Contact: M.A.I. sa.
Fax: +32.2.346.65.57 Tel: +32.2.343.42.49

THE INTERMARKET Starts on Page 4

Don't miss our coming Sponsored Section on
International Franchising
which will appear on
Nov. 19, 1996
For further information, please contact:
Judy KING at I.H.T. New York
Tel.: (212) 752 3890 - Fax: (212) 755 8785

Import/Export

WE EXPORT WORLDWIDE
ALL AND ANY CONSUMER PRODUCTS
NO MATTER WHAT YOUR NEEDS ARE
Please contact "USA EXPORT CO."
Tel. 201-896-0550, Fax: 201-896-1661
E-mail: 103731.2666@compuserve.com

OVERSTOCK OF CONVERSE sneakers available for sale. Serious inquiries. No samples business please. Fax. 516-997-8745

WWW.TRADECHANNEL.COM Where importers and other large volume buyers can source products and find suppliers worldwide

CAN SUPPLY white blank T-Shirts all sizes, excellent prices 512-14 a dozen FOB. Fax enquiries at (212) 391 2635 attn Expresso

DOMINICAN CIGARS. 9 styles, hand rolled, volume purchases only. Telefax. USA+954-474-3866

LEVI 501'S. Used and New. Quality jeans direct from the USA. Honest and Reliable. Fax 503-628-0749 USA

SMALL ARMS AMMUNITION/MILITARY equipment and supplies, lowest prices, volume only;. FAX USA +954-474-3866.

Business Opportunities

EARN MONEY, SAVE TAXES, BUY DISTRIBUTION RIGHTS
Swiss Know-How Company seeks agents worldwide. More than 30 marketing opportunities (Health & Beauty / Household- & Car Appliances).
For application please contact:
Inter Proma AG, Pradelant 7, FL-9490 Vaduz, Liechtenstein. Phone (+) 41-75-232 71 72, Fax (+) 41-75-233 16 67, e-mail: inter-proma-ag@lie-net.li

INTERNATIONAL MANUFACTURER of a REVOLUTIONARY PRODUCT for the automobile and tire industry is seeking importers and international distributors with serious financial and commercial references for a totally original and very profitable concept without important competition in the following areas: Arab countries, South America, Pacific, Asia, Africa, Australia, Eastern Europe & Russia, Western Europe: Benelux, UK, Italy, Switzerland. Please fax: (343) 436 34 43, e-mail cosmo@adv.es

INTRODUCERS. Do you have a client based in Latin or South America, Africa, and Eastern Europe? Do your clients trade foreign exchange, futures, options, equities? You provide the clients, we will do the rest and you can receive an excellent remuneration package. TEL/FAX: +44 171 266 3329

INT'L SOCIETY OF FINANCIERS Networking for full-time professionals with projects for funding or funding for projects - FREE Airmailed Report. 704-252-5907 Fax: 704-251-5061 USA

2nd PASSPORTS / Driving Licences / Degrees/Camouflage Passports/Secret Bank Accounts. Gill, P.O. Box 70302, Athens 16610, Greece. Fax 8962152, http://www.global-money.com

AAA SINGLE DISK SOFTWARE mail order U.S. $120 to start. Info: www.magenes.org or call 902-445-2620.

DIPLOMATIC PASSPORTS. 100% Legal Honorary Consul. EU passports. Escrow, U.S. Ltd. http://www.2nd-passports.com Tel: +34-952042669 / Fax +34-52983109

CRUDE OIL and D2 AVAILABLE Immediately for genuine buyers. Eurimpex, Athens, Greece, Fax +301 8949876.

IRON OXIDE. High grade, direct sale, 10,000 MT., different colours. Fax Spain: 34-76-234 233

OFFSHORE COMPANIES. For free brochure or advice Tel. London 44 181 741 1234 Fax: 44 181 748 8558/6338 www.appleton.co.uk

Start Your Own Business with US$5,000 selling high quality hand rolled Dominican Cigars. Fax: USA+954-474-3866

Business Opportunities

OFFSHORE BANKS
COMPANIES & TRUSTS
IMMIGRATION/PASSPORTS
Banking-Accounting-Secretarial
Vat Registration-Invoicing
Mail-Phone-Fax Services Worldwide
Aston Corporate Trustees
Aston House, Douglas, Isle of Man
Tel: +44 (0) 1624 626591
Fax: +44 (0) 1624 625126
London
Tel: +44 (0) 171 233 1302
Fax: +44 (0) 171 233 1519
E Mail: aston@enterprise.net
www.aston-iom.demon.co.uk

RAINBOROUGH LTD is an int'l company seeking to appoint independent agents in mainland Europe. We are a new company with a unique product within the Ostrich industry using a Hands Free Management Package. We offer successful agents an opportunity for substantial earnings. If You have a successful record in sales and marketing, with a client base, reply to:
Rainborough Ltd.
347 Fraghway Building
Flamingoweg 34,
1118 EE Schiphol Zuid, The Netherlands
Tel. +31 20 4057878 Fax 4057880

OFFSHORE COMPANIES
READY MADE CO's, FULL ADMIN TRADE DOCUMENTS AND L/C BANKING & ACCOUNTING CHINA BUSINESS SERVICES
Contact Stella Ho for immediate services & company brochure
NACS LTD, Room 1108, Albion Plaza 2-6 Granville Road, TST, Kowloon, Hong Kong. e-mail: nacs@hk.super.net Tel: 852-27241223 Fax 27224373

SURVIVE 2000, 93% of IBM compatibles WON'T. Will yours? FREE diagnostic software available from WWW.survive-2000.com or info from eee@sbbs.com or fax +8170-335570. National distributors sought.

SWISS TRADING Company is buying & selling stocks of commercial merchandise at outlet prices for export. Now available 2000 ladies dresses "Mrs. Big" sizes 42-60. CODESCO Fax +41 26 401 42 45

Partnerships

ARE YOU LOOKING TO START, BUY or expanding business? Will you take an investing partner with you doing the work? 919-883-2440/663-2441 Fax USA.

TUSCANY, few min. from Argentario, beautiful farmhouse in the middle of a valley between two rivers - 12 bedrooms (additional 4 already planned), surrounded by 5 acres of olive and fruit trees, large courtyard with ornamental trees - guest house license - seeking partners to invest or buyers. Contact Mrs. M. Romani Tel: 39 564 616925. Fax 39 564 626418

Business Services

Swiss trading company is looking for SUPPLIER OF PHARMACEUTICAL RAW MATERIAL AND - MEDICAL EQUIPMENT
BARSOM AG
Bahnhofstrasse 44 - Chur/Switzerland
Tel +4181 2553333 Fax +4181 2523340

BUSINESS DEVELOPMENT: Atlanta-based ex-CEO seeks assignments. High-tech background with 20 years international sales & marketing experience in Europe & Asia. Fax: +1-770-640-7118. E-mail: 74362.2045@compuserve.com.

2ND PASSPORTS. Visa free travel & banking back door to Spain & E.U. Agents are welcome. Tel: 972 50883135, Fax 972 4 8643236

RUSSIAN BUSINESS Visas including multi-entry plus all other travel services via our downtown Moscow office Tel: +44 (0)113 232 0082 Fax (0)113 232 0228.

EUROPEAN LIAISON AGENT
Your stand-by in the heart of Europe.
Fax +32.50.33.82.32 Belgium

MAILING LISTS by Berger & Company European business and consumer data Tel: 44 1312262996 Fax 44 1312267901

WE ARE LOOKING FOR MERCHANTS TO SELL FRENCH PRODUCTS. Consult us at: http://weheurobusiness.com Fax: +33 (0)5 61 14 85 29

USA VISA LOTTERY. Attorney to help file entry. Low fees. Fax resume/information to: 1-215-742-7727 USA.

YOUR OFFICE IN LONDON
Bond Street - Mail, Phone, Fax, Telex
Tel: 44 171 290 9000 Fax 171 499 7517

Business Travel

1st/Business Class Frequent Travellers Worldwide. Up to 50% off. No coupons, no restrictions. Imperial Canada Tel: 1-514-341-7227 Fax: 1-514-341-7998, e-mail address: imperial@login.net http://www.login.net/imperial

Banking

EUROPEAN BANKS issue for you L/Cs, SBLCs Payment/Financial Guarantees Proof of Funds & Funding Confirmation. Fx +49-1611832858 Tl: +49-1728075617

Capital Wanted

SWISS ENTREPRENEUR IN POLAND is looking for US$1 M capital. On the Polish market since 2 years, successful & established, capital needed for significant expansion. Education & publishing sector, high quality product, successful in Europe since 15 years. Substantial returns within 3 years (30% dividends). Business plan in co-op with "Big Six" accounting Co. Fax +41 55 241 26 17, e-mail 106540.1044@compuserve.com

Capital Available

CAPITAL CORP.
M & A
Corporate Financing
Venture Capital
(Worldwide)
Tel: 001-407-248-0360
Fax: 001-407-248-0037 USA

FUNDS AVAILABLE
For Investment Programs
Proof of Funds Available
Through Account Holders at
Seven U.S. & European Banks
(212) 758-4242 Fax: (212) 758-1221
www.john-barney.com
Attorney's & Brokers Invited
375 Park Ave., NY, NY 10152 USA

COMMERCIAL FUNDING AVAILABLE
Business Finance * Venture Capital Worldwide * Brokers welcome
ETHIC INVESTMENTS LTD
FAX +44 (0)115 942 7846

FUNDS AVAILABLE
For your Investment Program
Minimum 10 Million
In USA: 760 498 0653
CASAVIC MANAGEMENT

BROKERS
Do your own trading transactions
You provide bank guarantee, we will provide bank evidence of funds in your name. For nominal leasing cost
Fax: 44 (0)171 470 7113

ARABIAN GULF Funders Available to fund viable projects of minimum US$0.5M+. Fax your interest and a brief project summary for free initial appraisal to Fax: 9714 668818 Eagle Management Consultants, PO Box 19263 Dubai, UAE (Dubai Econ. Dept. Licensed Consultants)

CAPITAL FUNDING AVAILABLE Minimum $1M USD Charges no retainer fees, interest 4% & up. Contact Ms Jones Tel: 604-734-4233 Canada.

COMMERCIAL/BUSINESS FINANCE available for any viable projects worldwide. Fax brief synopsis in English to Corporate Advances, (+)44-1273-621300.

AUCTION
Wednesday, Oct 8, 1997
1:00 PM CDT in Louisiana, USA
Oil & Gas Production Mobile Submersible Platform
208 ft. x 88 ft x 14 ft 6 in.
Operates in water from 15 to 35 ft; 13,200 barrel capacity; 9-man quarter house; heliport, 10-ton crane; complete production system.
For more information contact:
SERVCORP INTERNATIONAL, INC.
Tel: 504-847-1242 USA
FAX: 504-847-1224 USA

ANGLO AMERICAN GROUP PLC
PROJECT FINANCE
VENTURE CAPITAL
GLOBAL COVERAGE
NO MAXIMUM
BROKERS WELCOME
For Corporate Brochure and information pack
Tel: +44 1924 201 365
Fax: +44 1924 201 377
You are welcome to visit us

PROJECT FINANCING
Venture Capital - Joint Ventures -
No Maximum - Brokers Protected
R.J.I. INTERNATIONAL
Tel: 001-242-363-1649
Fax: 001-716-779-8200

GLOBAL PROJECT FUNDING VENTURE CAPITAL-JOINT VENTURES-PROJECT FINANCING
ABS INTERNATIONAL VENTURES
Tel: +44 113 2727 550 Fax: +44 113 2727 560 Fees are not requested prior to an offer of funding being made.

Project Capital
Available for Rent
Minimum US$ 5m
Maximum US$ 100m
Rental costs vary with
Period money required
Fax 44 (0)171 470 7205
All Brokers Welcome

VENTURE CAPITAL
Min US$ 3m from Principal
Start ups, development, etc
New Pool Available September
Fax: +44 (0)171 470 7158
Attn: Corporate Finance Director
All Brokers Welcome

"IMMEDIATE & UNLIMITED"
Capital available for
ALL business projects!
MIN U.S. $1 mil./no max.
Int'l Business Consulting
(717) 397-7490 (U.S. FAX)
http://www.infbuscon.com (Internet)

SWISS FRANCS AVAILABLE. Low interest rate. Information fax: +31-20-6230004 The Netherlands

Financial Services

FINANCING
for real estate, government projects and businesses through Joint Venture Partnerships. Brokers welcome
LYONS CAPITAL INC.
USA-based international financier.
(T) (804) 643-0000 (F) (804) 643-0725
lyons@lyonscapital.com
http://www.lyonscapital.com

FINANCIAL GUARANTEES
Insurance / Reinsurance backed guarantees for qualified business projects.
Tel: 561-998-3222
Fax: 561-998-3338 USA
nonlcorp@worldnet.att.net

Comprehensive Brokerage Services Westminster Securities Corporation Wall Street location. Michael Wolloch Tel: 212-480-2500 Fax: 212-480-2549

TELECOMMUNICATIONS

Save Up To 85% On International Calls!
The Original kallback
NO Set Up Fees!
NO Deposit!
NO Minimum!

Call To The U.S. From:	
Germany	$0.31
U.K.	$0.19
Japan	$0.38
Hong Kong	$0.46

AT&T Fiber Optic Networks • 24-Hour Customer Service
Itemized 6 Second Billing • Ideal for Home, Office, Hotels and Cell Phones
"Callers get dependable, high-quality service" The International Herald Tribune
Agents Wanted Call 1-206-379-2861
Tel: 1.206.599.1991 • Fax: 1.206.599.1981
417 Second Avenue West • Seattle, WA 98119 USA
www.kallback.com • Email: info@kallback.com

DYNAMIC telecom
up to $100,000 NOW!!!
DIRECT ACCESS PREPAID CARDS
CALL BACK TRAVEL CARDS
Qualified Agents Welcome
Sell your customer base!
Best Rates & Commissions
886 S. Andrews Avenue, #205, Fort Lauderdale, FL 33316
Voice: 1-954-522-3300 Fax: 1-954-522-8242
• Contact: William Ellis •

ITC
No Sign-On Fees! No Monthly Minimums!
INTERNATIONAL TELEPHONE COMPANY
WORLDWIDE CALL BACK SYSTEM
SAVE UP TO 80%
Distributors Needed Worldwide
For Call Back International, Domestic & Cellular
International Telephone Company
290 Pratt Street, Meriden, CT 06450-2118
1800-638-5558 ext. 91 / 203-238-9794 Fax: 203-929-4906
"Limited Countries Available"

DISCOUNT EUROPEAN PHONE CALLS
Save 50% Now.
Contact Callback Plus.
Tel: + 44 181 585 0014
Fax: + 44 181 585 0075

See Friday's Intermarket for Holiday + Travel, Residential Real Estate and Dining Out. To advertise contact Sarah Wershof on +44 171 420 0326 or Fax +44 171 420 0338. A GREAT DEAL HAPPENS AT THE INTERMARKET

Save up to 80% ON ALL International Calls
FREE: Remote Programmable Service, Speed Dialing, and Personalized Voice Prompts
No Start-up Fees • Multi-Lingual Operators Available
Perfect for Home, Office, Hotel, Fax, or Cellular Phones
SEE OUR INCREDIBLE RATES TO THE U.S.:

U.K.	$0.19	SWITZERLAND	$0.29
FRANCE	$0.30	ITALY	$0.38
GERMANY	$0.24	EGYPT	$1.08

Call: 201.287.8400 Fax: 201.287.8437
e-mail: tribune3@newworldtele.com http://www.newworldtele.com
BUSINESS TO BUSINESS AGENTS WELCOME 201-287-8400
US MILITARY PERSONNEL: ADDITIONAL 5% DISCOUNT IF YOU SIGN UP WITHIN 30 DAYS
NEW WORLD TELECOMMUNICATIONS
1402 TEANECK ROAD • SUITE 114 • TEANECK, NEW JERSEY • 07666 • USA

INTERNATIONAL FRANCHISES

UNISHIPPERS
GLOBAL SHIPPING • PERSONALIZED SERVICE
The world's largest reseller of transportation services is now offering Master Franchise opportunities in Europe.
To learn more about this incredible offer:
Visit us at the Int'l Franchise Exhibition Birmingham, U.K. Oct. 3-5
Tel 801.487.0600
Fax 801.487.0623
E-mail: www.unishippers.com

JUST PUBLISHED
International Herald Tribune's *International Franchise Guide*
INTERNATIONAL MASTER FRANCHISE & AREA DEVELOPMENT OPPORTUNITIES
The definitive guide devoted solely to international franchising. Detailed, up-to-date profiles on the world's leading international franchisors. 176 pages. US$34.95 (includes shipping)
Send to IHT Guide, P.O. Box 12488, Oakland, CA 94604. Cash, Money Order, Visa or M/C (send Acct. #, Expir. Date & Approval Signature).
Tel: (510) 839-5471 or Fax: (510) 547-3245
E-Mail: sourcebook@earthlink.net Website: www.franchiseintl.com
Herald Tribune

Master Franchise Opportunity BMS TECHNOLOGIES

Scott Mooring III
Oct. 6-12 England, Scotland, Wales
BMS Technologies is an established and successful American brand leader in Commercial, Residential and Insurance Restoration services, with a 50 year track record. Established in 20 countries.
Now seeking applicants for Master Franchise rights.
• Specializing in Indoor Environmental Services & Insurance Disaster Recovery
• Offering a proven system to build a Franchise network
• 22 Proprietary Patents & 11 Profit Centers
• Complete Training & On-going Support
For an appointment to meet Scott while in London, call or fax Bill Sims. Principals Only.
1-817-332-1575 FAX: 817-335-5118 USA
BMS Technologies, a division of Steamatic, Inc.

FUNDING PROBLEMS?
for SOLUTIONS Contact
BANCOR OF ASIA
Bankable guarantees to secure funding for viable projects:
VENTURE CAPITAL
EQUITY LOANS
REAL ESTATE
Long term collateral
Supported Guarantees
Fax: (632) 810-9294
Tel: (632) 894-5358
(Commission earned only upon Funding)
Brokers Commission Assured

YOUR OFFICE IN PARIS
is ready when you need it, even for a couple of hours.
* Fully functional modern offices and conference rooms to rent by the hour, day, month etc...
* Your tactical or permanent base
* Prestige mailing address. All services B B E ****
91, Fg St-Honore 75008 Paris
Tel +33 (0)144713636 Fax (0)1 42661560

WORLD WIDE FINANCING
*Commercial Mortgages
*Venture Capital
*Stock Loans
*Project Funding
*Letters of Credit
*Accounts Receivable Financing
*Private Placement
*Public Shells
Tel: (212) 758-4242
Fax: (212) 758-1221
Brokers Welcome
375 Park Ave., NY, NY 10152 USA
www.john-barney.com
Refundable Retainer Sometimes Required.

Diamonds

ROUGH DIAMONDS We will pay instant cash for gem quality African origin, volume only. Fax: 954 474-3866 USA

Serviced Offices

CENTRE D'AFFAIRES PARIS ETOILE
Facing the Arc de Triomphe
Prestigious offices with services
Tel +33 (0)1 44 17 18 44
Fax +33 (0)1 44 17 18 43

YOUR OFFICE IN ROME AND MAJOR CITIES IN ITALY
TEL: 39 6 8543241 FAX 39 6 85350187
WWW.EXECUTIVENETWORK.IT

YOUR OFFICE IN MUNICH, Hamburg or 185 other locations worldwide. HQ Business centres: Offer fully staffed & furnished offices. Prestigious business address, multilingual secretarial support. Tel +4940 2350 5562 Fax +4940 2350 5565

COM. REAL ESTATE

National Sealed Bid Event
32 Properties in 14 States, Mexico & the Bahamas
Broker Participation Welcome
Bid Due Date: November 14, 1997 • Noon, MST
- Spanish Cay, Bahamas
  163-acre island with resort and marinas
- Waikiki, Oahu, Hawaii
  76,234 sf 3-story shopping plaza
- Honolulu, Oahu, Hawaii
  122,400 sf airport office, fee simple
- Southfield, MI
  148,000 sf office - 95% occ
- Taxco, Mexico
  4-star hotel and restaurant on 78 ac
- Wildwood, NJ
  Boardwalk pier and retail

Call for a free property catalog: 602-955-0505
Toll free: North America: 800-582-8492
Britain: 0500-89-2580
France: 0800-91-8344
Hong Kong: 800-933-996
Japan: 0031-13-3095
or Visit our Web Site: www.terra-inc.com
NAI New America International
TERRA MARKETING

GENERAL

Real Estate Services

P.C.M.G
YOU OWN A PROPERTY IN FRANCE! Our services cover in your absence: Maintenance, cleaning, gardening, repairs follow-up of bills, government taxes, etc
PLEASE DO NOT HESITATE TO CONTACT US FOR MORE DETAILS
FAX +33 (0)4 90 95 94 34
Tel: +33 (0)4 90 95 35 35
7 Domaine de Crevin F-74160 Bossey

Real Estate for Sale

Paris and Suburbs

8th, CLOSE CHAMPS ELYSEES and rue Fg St Honore, for sale in 19th cent Haussmann style character building: OFFICES or HIGH CLASS apartment to be refitted (presently fitted as offices). About 300 sq.m. per level. Partial sale possible. VERY GOOD OPPORTUNITY.
Contact owner direct on
Fax +33 (0)5 56 20 01 69
Tel: +33 (0)6 07 65 65 19

16th - AVENUE FOCH - IDEAL pied-a-terre, living + 1 bedroom, excellent condition Tel: +33 (0)1 45 53 53 35.

Spain

IBIZA - FEET in SEA. Delightful, exceptional location, 2-bedroom apartment with 100 sq.m. treed garden overlooking sea. Direct access to private creek. US$135,000 Fax +33 (0)5 53 40 63 92 http://www.mlorouss-ardeche.fr/~property

Real Estate for Rent

Austria

VIENNA, Next to Opera: 1 bedroom, living/dining room, eat in kitchen, elegant, sunny, short term Tel: 369 84 68

Germany

DUSSELDORF, near airport, ideal for business people, 2 rooms, 42 sq.m., shower. Tel: France +33 (0)2 3547 7430

Paris Area Furnished

DU CERCOURT ASSOCIATES
Ideal accommodation: studio-5 bedrooms
Quality and service assured
READY TO MOVE IN
Tel +33(0)1 43129800. Fax (0)1 43129808

AGENCE CHAMPS ELYSEES
Specialists:
Furnished apartments, 3 months or more or unfurnished, residential areas.
Tel: +33 (0)1 42 25 32 25
Fax: +33 (0)1 45 63 37 09

AT HOME IN PARIS
PARIS PROMO
Apartments to rent furnished or not.
Sales & Property Management Services.
25 Av Hoche 75008 Paris Fx 01-45611026
Tel: +33 (0)1 45 63 25 60

7TH, 1 block from Eiffel Tower, Luxurious 4 bedroom, fully equipped. Tel 310-452-2280 USA.

REAL ESTATE INVESTMENT
in Switzerland (Geneva) 6 % return in SFR guaranteed by mortgages.
For further information cipher W/ 127 089 Publicitas International Box 3600, CH-1002 Lausanne.

GENERAL

CAPITALE * PARTNERS
Handpicked quality apartments, all sizes Paris and suburbs.
Tel: +33 (0)1 42 68 35 60
Fax: +33 (0)1 42 68 35 61
We help you best!

CLOSE LOUVRE, fully equipped studio, bright/spotless. Short/long term. Owner Tel +33 (0)142963967, fax (0)142614724

Switzerland

GENEVA, LUXURY FURNISHED apartments From studios to 4 bedrooms Tel: +41 22 735 6320 Fax +41 22 738 2577

Employment

Domestic Positions Available

PRIVATE HOUSE, SOUTH OF FRANCE seeks house maid/seamstress, 5 years minimum in the same house. Send CV, photo, references & salary required to: Box 415, IHT, 92521 Neuilly Cdx, France

Herald Tribune
THE WORLD'S DAILY NEWSPAPER
PLANNING TO RUN A CLASSIFIED AD?

EUROPE	ASIA/PACIFIC
FRANCE (HQ): Paris, Tel. (01) 41 43 93 85, Fax. (01) 41 43 93 70, E-mail: Classified@iht.com	HONG KONG: Tel - (852) 2922-1188, Telex: 61170 IHTHX, Fax. (852) 2922-1190.
GERMANY, AUSTRIA & CENTRAL EUROPE: Frankfurt, Tel.: (069) 97125-00, Fax. (069) 97125020	SINGAPORE: Tel.. 223 6478, Fax: 325 08 42, Telex: 28749. IHT SIN

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Medical Privacy

Of all the threats posed to personal privacy by the new information technologies, the threat to the privacy of medical records is by far the most urgent. People may differ on how widely they want their income or their address known, or their shopping habits, but little of that information can be as disruptive as medical information if it is released to the wrong people — or, for that matter, if the wrong people come across it by accident.

The proposed guidelines on the subject submitted last week to Congress by Health and Human Services Secretary Donna Shalala are intended to moderate what could otherwise be the bad effects of a 1996 law that made health care coverage more accessible for millions of Americans. Unfortunately, they serve mostly to underline how serious the problem already is, and how far beyond the point where mild measures can bring it under control. Getting in the way of a simple assertion of principle — your records are yours, period — is a long list of agencies and entities with interests to the contrary, from law enforcement to medical researchers, and none of them, evidently, has been persuaded to give ground.

In attempting to "balance" the importance of medical record privacy against other interests — and specifically against "national priority activities" such as research, public health, health care cost containment and law enforcement — the guidelines end up swallowed by their loopholes, to the point where someone with (say) a drug problem or a venereal disease might plausibly be inclined to avoid medical care altogether. How else ensure that they won't turn up years from now — name and all — in a computer scan by an investigator of an unrelated crime or a researcher on a medical study? Even in cases where a patient is notified and objects, the holder of the information can release it if the requester can demonstrate that "the need for the information outweighs the privacy interest of the patient" — a formulation that leaves little of the concept of an actual privacy right.

Loopholes aside, the guidelines lay down good basic principles on who should be able to see personal medical files and why: Essentially, they say, only "providers" and "payers" ought to have access to such records, and only if they are using them for those purposes. Employers, for example, would be barred from taking information about health for insurance purposes and then passing it on to those involved in decisions about promotion. Passing on information inappropriately would carry heavy penalties, as would failing to safeguard it from freelance snooping. Such punishment after the fact is all very well, but the whole point about breach of privacy is that once a secret is out, it's out.

The new technology makes that first leak all the more likely. What's needed are not safeguards for existing rights to snoop — by government or otherwise — but tough, simple rules that stand a chance of counteracting that growing danger.

— THE WASHINGTON POST.

Justice Blew It

Attorney General Janet Reno has opened the possibility that she may seek appointment of an independent counsel in connection with the fund-raising excesses that marred the last election. The ostensible trigger for the action was her discovery, in part from reading the papers, that the vice president and president both may have raised some money using their office phones, and that some of the money may then have been deposited in a "hard" rather than a "soft" Democratic National Committee account — no matter that the only real distinction between the two was on paper.

There has been a flurry of reaction, some of it White House-orchestrated, to the effect that this is a ludicrous way to do business. The issue is, or ought to be, the money, the critics say — how much was sought from and given by whom for what purposes — rather than the meaningless, almost clerical questions of which phones and bank accounts were used. But in fact it is not the phones or bank accounts that have forced Ms. Reno's hand. She was driven to act by revelations having to do much less with the president and vice president than with the Justice Department. Her department, on whose investigative capabilities and integrity she had asked the country to depend, appears to have been conducting a bumbling and less than fully competent investigation — call it what you will, but certainly not one calculated to inspire confidence.

There has been a certain amount of talk in recent days about which mid-level officials or which arms of the Justice Department might be at fault. The fault does not lie there. The attorney general bears the responsibility. Ms. Reno's strengths have never run to management; nor in the relevant period did she have deputies officially in place to do the managing for her. All the more reason for her to have paid the extra heed she appears not to have done to an enterprise on which the credibility of the executive branch in this matter depends. If we end up with an independent counsel in this case — in our judgment, not an altogether happy outcome — it will be not just because of how the money was raised last year but because on Ms. Reno's watch the Justice Department blew it.

The broad outline of what happened in the last campaign is understood by just about everyone. The already weak constraints in the law on fund-raising were ripped apart by both parties. The principal evasion was to raise in the name of the parties, as soft money, funds that the candidates were forbidden to raise directly for their campaigns. Then the parties, which they controlled, made the money available to them anyway.

An early question for the Justice Department was whether to treat just this, the basic scam, as a criminal offense sufficient to trigger the independent counsel statute. The decision of the career prosecutors on whom Ms. Reno was relying was no, on grounds that the relevant provisions of the campaign finance laws did not apply to contributions to the parties, only contributions to campaigns. Who knows whether that's technically so? It nonetheless illustrates the basic problem, which is not so much that the campaign finance laws are evaded as that they are weak. They were written to be evaded. The overriding need is to strengthen them, and some of the members of Congress most indignant about the asserted abuses of the law last year are among those least willing to change it so that such abuse could put a politician clearly in harm's way.

Ms. Reno has also been asked to seek appointment of an independent counsel on the basis of what the Democrats might have done — might have wittingly sought or accepted contributions from foreign or other illegal sources, might have altered policies in return for funds, might have done any number of forbidden things. Who knows? But of course she's right that the standard for so consequential an act as seeking an independent counsel should be higher than that.

There are two grounds. She has to seek such a counsel if she has specific and credible evidence that a covered official committed a prosecutable offense. She can seek such a one even without such evidence if she feels the department otherwise faces a conflict of interest in conducting an investigation and possible prosecution. Her position thus far has been that neither test has been met. Absent the triggering evidence that the statute requires, the career prosecutors and by implication she herself could be counted upon to enforce the law as vigorously as this case deserved. So said Ms. Reno.

The department may yet be able to make the technical case, and perhaps it should, that the first test hasn't been met. You've read all the arguments. The ban on solicitation of funds in government offices wasn't meant to apply to phone calls like these. Neither the president nor the vice president knew how the money was being split up, etc. If a credible Justice Department said these things, most people would probably say O.K. — even those who believe, as we do, that the underlying system of campaign finance that Bill Clinton and Al Gore so helped to perfect last year is corrupt and wrong. Who can want an issue as important as this to come down to the wrong phone jack or deposit slip? But credible is the key word. Ms. Reno says the department deserves the public's confidence. But that confidence has to be earned, and on this one it has been dissipated instead.

— THE WASHINGTON POST.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen

KATHARINE P. DARROW, *Vice Chairman*

RICHARD McCLEAN, *Publisher & Chief Executive*
MICHAEL GETLER, *Executive Editor*

• WALTER WELLS, *Managing Editor* • PAUL HORVITZ, *Deputy Managing Editor*
• KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • SAMUEL ABT and CARL GEWIRTZ, *Associate Editors* • ROBERT J. DONAHUE, *Editor of the Editorial Pages*
• JONATHAN GAGE, *Business and Finance Editor*
• RENÉ BONDY, *Deputy Publisher*
• JAMES McLEOD, *Advertising Director* • DIDIER BRUN, *Circulation Director.*
Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
Internet address: http://www.iht.com E-Mail: iht@iht.com

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 119800. Tel. (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia. Rolf D. Krampuhl, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 69/97 1250-0 Fax: +49 69/97 1250-20
Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785
U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
©1997, International Herald Tribune. All rights reserved.
ISSN 0294-8052.

A Study in Madness by Inconsolable Republicans

By Richard Cohen

WASHINGTON — If President Bill Clinton had some gumption and, maybe more important, a taste for confrontation, he would call in the press, order up the TV networks and announce he was pardoning both himself and Al Gore for anything relating to campaign fund-raising. He would do that, he would solemnly announce, so that Congress would write a law that makes some sense.

The current laws do not. In fact, there is something downright absurd about marshaling the Justice Department and then maybe an independent counsel to look into whether Mr. Clinton and Mr. Gore actually asked someone somewhere to make a political donation. This, we are told, might be a felony — like, say, armed robbery. As anyone can see, it is actually an absurdity.

What do we care — Mr. and Mrs. USA — whether Mr. Gore or Mr. Clinton was in the business section of the White House when he picked up the phone or upstairs in the private quarters? What do we care whether Mr. Gore was in his office or ducked across the street to a pay phone? What do we care whether he used a credit card or called collect? Yet these are some of the very issues involved in this mole-hill-into-a-mountain scandal.

As everyone but congressional Republicans seems to know, the law involved was designed to stop elected federal officials from putting the arm on their own staffs. This was once a routine practice and, indeed, is not unknown to this day. In some jurisdictions, county or municipal workers are expected to make political donations to the reigning organization. Senate Republicans in need of some pointers can ask Al D'Amato how this is done.

If Mr. Clinton or Mr. Gore had done something along those lines, an independent counsel would be justified. Or had either one of them — or anyone within a mile of Mr. Clinton — offered a job or a government program in exchange for a contribution, that too would be serious stuff. Then it would not matter if the call was made from the presidential shower or the Situation Room — with a Donald Duck phone or the vaunted red one. A crime would have been committed.

But in the absence of any such accusation, the Republicans press ahead anyway — and, in the process, do the White House a favor. The question of who called whom from where obscures the uncontested fact that Mr. Clinton cheapened the White House with his greed for campaign bucks. The coffees, the sleepovers, the Lincoln Bedroom for the campaign version of frequent flier miles — all these turned what used to be called The People's House into a bed-and-breakfast for fat cats.

Sooner or later the public — but probably never the press — is going to understand that the Republicans are calling for an independent counsel for what, in essence, may not be a crime and should not be a crime anyway. Back in 1975, that was the conclusion of four Watergate special prosecutors — Archibald Cox, Leon Jaworski, Henry Ruth and Charles Ruff. In a report, they said the law was so confusing and antiquated that Congress ought to change it. Congress, of course, has done nothing of the sort.

What's more, if an independent counsel is summoned, the result will be a partisan donnybrook. Attorney General Janet Reno will have to turn the matter over to a three-judge panel headed by the toxically partisan David B. Sentelle. (He supposedly named his daughter Reagan after you-know-who.) He is the same appellate judge whose panel fired Robert Fiske and replaced him with Kenneth Starr, a frank ideologue himself. Mr. Starr has since conducted an open-ended investigation of Whitewater, which has so far produced nothing more than questions about his competence. He seems lost in Arkansas.

The Republican Party has a case to make about the way this White House raised money. But for a party whose sole attribute is a belief in less government, it is awfully quick to bring in the government's heaviest guns to swat what is, after all, a mere gnat of an alleged infraction. Once summoned, though, the Lord High Independent Counsel can do pretty much what he or she wants. That would mean, among other things, that Mr. Gore would have to spend more and more time in the attic, searching for old records, canceled checks and high school yearbooks. He has already had to hire two criminal lawyers.

The whole thing is a study in disproportion, in a madness that, in other places, would entail an examination of the water supply. Campaign financing badly needs reform but, rather than do that, congressional Republicans are trying to lynch Mr. Clinton and Mr. Gore for what, it appears, is their most serious offense: winning the last election. No independent counsel is going to change that.

The Washington Post.

In the Taiwan Strait, a Confluence of Dangerous Currents

By Don Oberdorfer

TAIPEI — In the 10 years since martial law on this island was lifted and relationships with mainland China were authorized, Taiwan has come of age politically. But so has the struggle for recognition and autonomy across the Taiwan Strait, which now threatens the peace of East Asia and will bedevil the forthcoming summit meeting of President Bill Clinton and President Jiang Zemin of China.

A week of discussions with senior officials and political leaders here suggests that Taiwan is preparing to continue and perhaps intensify its drive to expand its international acceptance and connections, a drive that is infuriating to China. While hoping to pursue its goal without generating new Chinese threats or use of force, many of Taiwan's leaders are counting on the United States to back them up if the worst happens.

With the exception of the permanently hostile situation on the divided Korean Peninsula, no other problem has as much potential to involve the United States, China and perhaps Japan in a new war. Paradoxically, the high degree of tension is an unintended consequence of an unexpectedly positive development — the democratization of Taiwan.

When I made my last visit here more than two decades ago, Taiwan was ruled with an iron hand by the Nationalist Party or Kuomintang, the political arm of the Nationalist army that fled to the island when the Communists triumphed in China's civil war. Political opposition was suppressed, the press was under tight control and contact with the mainland was banned. All that changed dramatically in 1987 when President Chiang Ching-kuo, the son of the Nationalist leader Chiang Kai-shek, lifted martial law and authorized cross-straits economic and cultural interaction.

Today Taiwan is one of the world's great trading powers with fractious domestic politics and an uninhibited press. Its predominant political culture is that of native Taiwanese with fewer historical or emotional ties to the mainland. They have little interest in reuniting with the mainland in "one China," which is the consistent and ardent objective of the authorities in Beijing and which has been formally accepted by the United States as China's legitimate aim since 1972.

Two years ago, President Lee Teng-hui, the first native Taiwanese standard-bearer of the long-ruling Kuomintang and the first popularly elected president, used a U.S. public relations firm, Cassidy & Associates, to persuade Congress and the administration to permit him to visit the United States despite the absence of official diplomatic recognition. Mainland authorities, who saw Mr. Lee's high-profile visit as part of a drive for permanent independence, erupted with fury.

The result was Chinese missile tests in the waters near Taiwan in July 1995 and more menacing tests in March 1996, prompting Washington to dispatch two aircraft carrier battle groups as a warning against escalation. It was the largest deployment of U.S. naval power in East Asia since the end of the Vietnam War.

To calm the waters, the Clinton administration warned China to back off, but it also asked Taiwan to avoid provocative actions. China got the message, though hard-liners did not like it and the incident may have stimulated long-term military planning to overcome future U.S. challenges.

The parallel U.S. message to Taiwan was "not brought home too clearly to the top people," according to Frederick Chien, speaker of the National Assembly and former foreign minister. Several U.S. and Taiwanese officials told me the island's political activists and at least some of its senior leaders feel assured of U.S. military backing against China for almost anything they do short of officially declaring independence.

Many in Taiwan feel assured of U.S. military backing against China for almost anything they do short of officially declaring independence.

The opposition Democratic Progressive Party, making a strong bid for power largely on the basis of Taiwan ethnic consciousness, has won local governing authority over more than half the island's people. Its probable presidential candidate in 2000, Taipei Mayor Chen Shui-bian, has been guarded in some of his public comments about the island's future but told me flatly: "We should establish a new and independent Republic of Taiwan. Taiwan is not part of mainland China."

Last week, President Lee and an entourage of 100 officials and business people returned from a 16-day tour of Central and South American nations that are among the 30 countries that still recognize Taiwan as the legitimate government of China. Since the trip broke little new diplomatic ground, China's objections were muted.

Nonetheless, an elated Lee entertained Taiwan journalists along the way with on-camera bashing of the mainland as "nothing to be afraid of" since China is big but "just stupid."

Taiwan's incoming foreign minister, former unofficial Washington representative Jason Hu, said in an interview: "We need international breathing space for our survival and the development of our freedom and prosperity." He and others said the drive for greater recognition will continue, though some officials also spoke approvingly of caution, especially in connection with future visits to the United States, and nearly everyone expressed the hope that the severed semi-official dialogue will resume.

"We are not going to do anything that will sabotage your relations with the regime on the mainland," said Vice President Lien Chan, considered the likely governing party candidate to succeed Mr. Lee.

Another straw in the wind, however, was the signing of a new contract on July 1 for three more years of the Cassidy & Associates efforts in Washington at $1,950,000 annually.

Asked what the lobbyists are going to do for Taiwan with all that money, Vice Foreign Minister Chen Chien-jen responded, "We have nothing to do with them." Vice President Lien disclaimed any governmental responsibility for the lobbyists but said the operations of the ruling party were a separate matter, like "church and state" in Western countries.

The fundamental problem is that many or most citizens of Taiwan no longer believe in reunion with the mainland and are eager for international recognition in their own right. Taiwan's politics cater to the popular view. The United States, which officially endorses the "one China" policy but also believes in democracy and the consent of the governed, is caught in the middle. As a result, a time bomb is ticking in the Taiwan Strait.

The writer, a former Washington Post Northeast Asia and diplomatic correspondent, is journalist-in-residence at the Foreign Policy Institute of Johns Hopkins University's Nitze School of Advanced International Studies. He contributed this comment to the International Herald Tribune.

It's Up to Kabila to Create the Centerpiece of a New Africa

By Helen Watson Winternitz

LOS ANGELES — When Mobutu Sese Seko seized control of Congo some three decades ago, Africa was emerging into independence with an uncertainty that made it prime territory for postcolonial exploitation. Abetted by the CIA, he signed on as a Cold War client and, with the aid of the United States and former European colonialists, grew to be a ruinous dictator.

When Laurent Desiré Kabila toppled Marshal Mobutu this spring, the continent was gaining a sense of its own strength. Countries neighboring Congo swept Mr. Kabila into power with a speed that stunned the world. They wanted an end to a dictatorship that looked first to the interests of the West, rather than Africa, and an economically viable country in their center.

The question no longer is whether the heart of Africa will go Communist, but whether Mr. Kabila can resuscitate it and pump fresh economic blood into arteries of commerce long blocked by a sclerosis of corruption. The outcome will be critical in determining whether the country will become the centerpiece of a new, cooperative Africa run by a fresh generation of leaders.

The corollary is whether Mr. Kabila can fix Congo without sacrificing human rights, those of his 45 million citizens who suffered under Marshal Mobutu and those of Hutu refugees lost or massacred in central Africa.

The swiftness of Mr. Kabila's success testified to the utter rottenness of Marshal Mobutu's regime and to the extraordinary backing the rebels received from 10 African countries. Such unanimity in altering the course of events within Africa is unprecedented.

The rebels' foremost backers were Uganda and Rwanda, which supplied soldiers, weapons and logistics. Unbeknownst to most of the world, Rwanda had been helping design Marshal Mobutu's overthrow for two years. Rwanda's defense minister and vice president, Paul Kagame, collaborated in this with Yoweri Museveni, Uganda's president.

They were joined by other neighbors such as Angola, which had suffered from the U.S. use of Marshal Mobutu as a Cold War pawn in a deadly game to destabilize its Marxist government. Political or economic backing for the rebellion also came from Burundi, Zambia, Tanzania and more distant Eritrea, Ethiopia, Zimbabwe and South Africa.

The Democratic Republic of the Congo borders nine countries, a fact that under Marshal Mobutu created a great economic hole in the center of Africa. A functioning Congo could provide a central infrastructure for business in a large portion of sub-Saharan Africa. The country's railways and roads, as well as its natural Congo River highway, could be the crucial link between Kinshasa and Cape Town, Maputo and Luanda. Nairobi and Brazzaville, between economic centers north and south, east and west. If Congo's minerals could be mined efficiently again, the country could grow rich, its wealth a boon also to its trading partners. The harnessing of the rivers' hydroelectric potential literally could light up the region.

Now, however, the Congo centerpiece is little more than one of the most abused sites of the former Cold War. The Mobutist name "Zaire" has been discarded, but the economy remains in shambles; most bureaucrats are not getting paid; a Congolese cannot mail a letter, make a transcountry telephone call or transport goods without getting mired in all but impassable roads.

Mr. Kabila, generally, has been succeeding with his promise to end the corruption on which the Mobutist system malfunctioned to such a degree that an invalid had to pay a bribe for a hospital bed. Citizens can now cross the capital without being robbed by undisciplined soldiers, international travelers can pass through the airport without being shaken down.

Mining companies, based in the United States, Canada and South Africa, are preparing major deals that should send money flooding into bankrupt Congo. This is but a first step, though, by an international community still wary of central Africa's new strongman.

Mr. Kabila has stayed largely behind the scenes. He is a tenacious strategist whose lifelong object was to overthrow Marshal Mobutu and whose goal now is to do a much better job. It seems he is doing just that, but not without difficulties that could worsen as he tries to govern the vast, fractious and ethnically divided country.

His method of dealing with the country's pro-democracy movement, which also had long struggled against Marshal Mobutu, has been suppression. He quickly squelched demonstrations by democratic groups, his troops shooting at protesters in a few instances. Many thought the wiser tactic would have been to incorporate the movement's popular leaders into the echelons of government, thereby neutralizing dissent and gaining a more satisfied populace in the capital, where Mr. Kabila is an outsider.

Already, there is talk on the Kinshasa streets of an anti-Kabila backlash. He is called another Mobutu for his initial nondemocratic stance, although he has sworn to hold national elections.

The tactic of Mr. Kabila's government for handling the issue of the Hutu refugees, thousands of whom were slaughtered by Tutsi soldiers in his army or else disappeared into the central African rain forest, has been to stonewall UN investigators. For this, Mr. Kabila has garnered international disapproval but has not lost the backing of African allies who collectively have accused the West of vilifying their colleague.

U.S. policymakers have been trying to press the issue without losing Mr. Kabila and his crucial potential. They have been negotiating with him and dangling millions in much-needed aid monies as a carrot, in a way reminiscent of past decades when they tried to correct the tyrannical Mobutu while embracing him.

Meantime, Mr. Kabila is looking Africaward. He is set on imitating Uganda's Museveni, whose country has working roads, a sparkling economic growth rate and the praise of international lending institutions. The Ugandan is pushing the idea of African common markets as part of a post-post-colonial independence in which the continent is on a more equal footing with its former masters.

"Africa is neither Anglophone nor Francophone" but "Bantuphone," Mr. Museveni said at Mr. Kabila's inauguration in Kinshasa, "because from Cameroon all the way to South Africa, we speak Bantu languages." Mr. Kabila cheered the idea of a cohesive Africa, but the task of helping create it will be a lot tougher and more complicated than riding the rebellion.

The writer is author of "East Along the Equator: A Journey Up the Congo and Into Zaire." She contributed this comment to the Los Angeles Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Hungarian Riot

VIENNA — It is reported that at Sjenica, 4,000 peasants have assembled, armed and organized in military fashion. They are under the mistaken notion that a district judge and other officials who visited their parish have brought a Hungarian flag to hang it from the church steeple, and that when it has been there two hours all the population which is Orthodox must become Roman Catholics and Magyars. They have already murdered the judge and two other officials with hayforks and have fired upon the gendarmes.

1922: Soviet Murdered

PARIS — Reports direct from Moscow claim that Felix Dzierjinski was assassinated on September 21. The murder is reported to have been plotted long ago and carried out at a time when Dzierjinski thought himself quite safe. Associated with other fierce revolutionaries, Dzierjinski organised the Extraordinary Commission for combating counter-revolution, which executed more than 1,700,000 Russians during the years 1918-1921 on suspicion of harboring anti-Soviet views.

1947: Sofia Execution

SOFIA — Nikola Petkov, Bulgarian opposition political leader convicted of treason, was executed at midnight [Sept. 23]. The trial of Petkov had resulted in strenuous protests by the United States and Great Britain that Bulgaria was violating provisions of the treaty of peace. Soviet Russia declined to support the protests on the ground that they represented interference in Bulgarian internal affairs. Petkov was leader of the Agrarian Peasant party — the main opposition to the dominant Communist party.

OPINION/LETTERS

Has America Forgotten Jiang's Dark Side?

By A. M. Rosenthal

NEW YORK — Jiang Zemin is a very important man and gets more important all the time. Next month he will visit President Bill Clinton in Washington. So we really ought to do a little boning up on the man.

True, the press and TV have been reporting about Mr. Jiang recently. They told us that at the recent Communist Party congress he strengthened his position as president of China and leader of the party.

But there's lots more interesting material about Mr. Jiang that would help us get to know him better. For instance, he is a killer.

That is not new or surprising. Maybe that is why Mr. Clinton never mentions it. Or maybe he forgot.

After all, Mao Zedong killed off millions in his time. And Deng Xiaoping was responsible for the massacre at Tiananmen Square and for the deaths of so many Tibetans that their number will never be known.

Still, it is interesting to know that after Tiananmen, Mr. Jiang, as Mr. Deng's chosen heir, carried on in his tradition. He began and supervised a crackdown that lasts to this day. A U.S. State Department report says the crackdown has wiped out the dissident movement.

On Tibet, Mr. Jiang in his eight years of power before and after Mr. Deng's death showed himself at least as murderous as his mentor and master. He added a touch of his own — promoting and enriching Chinese officers and officials particularly effective in the Tibetan genocide.

William Triplett 2d, a former chief Republican counsel to the Senate Foreign Relations Committee, reminds us of that in an op-ed column in The Washington Times of Sept. 12. Mr. Triplett is one of the small tribe that has not been stricken with the amnesia that has gripped the White House, American politicians, business executives and much of American journalism about Mr. Jiang.

Last year, according to Amnesty International, Mr. Jiang's police and kangaroo courts ordered a record number of death sentences and executions. The Committee to Protect Journalists has named Mr. Jiang one of the world's 10 top enemies of the press. He came in second, beaten by Antar Zouabri, head of the Armed Islamic Group, which hunts down and murders Algerian journalists. (An Algerian newspaper recently reported that Mr. Zouabri had been killed by security forces.)

Mr. Jiang is an enormously busy man. As president and head of the party he is involved in every major government endeavor. Perhaps the largest is the laogai, which is built into the Communist system as an important source of state income and an instrument of national rule and control.

The laogai, which stands for "reform through labor," is a vast national network of more than 1,000 prisons, forced-labor factories and detention centers.

Harry Wu spent 19 years in the laogai for expressing "rightist" opinions. After making his way to America, he has spent his life trying to awaken the West to the existence of this Chinese supergulag and to its importance to the Communist leadership. He told The Weekly Standard of Washington that the present laogai prisoner population was 6 to 8 million and that in the 50 years Mr. Jiang and his predecessors have run it, 50 million Chinese have suffered in its cells.

But most U.S. bureaucrats, CEOs and officeholders are not interested in all that human rights stuff, not even when the persecution is directed at their fellow Christians. The only human rights policy they respect is Mr. Jiang's warning to foreigners doing business with China: Open your mouth and we will shut your cash registers.

Would Congress and the White House be interested in this item: Under Mr. Jiang the Chinese military has been enormously strengthened in military high-tech weaponry?

No, I suppose not; they know it already and don't seem to mind. They even know, because the Chinese admit it, that under Mr. Jiang the Communist government lied when it denied that China had supplied special ring magnets to Pakistan's nuclear-weapons program, and lied when it denied diverting American aircraft machinery and a special supercomputer from their supposed civilian-factory destinations straight to military plants.

This brief bio of Mr. Jiang-in-power might come in handy when he visits the White House or if, as he has asked, the president and the House speaker, Newt Gingrich, invite him to address a joint session of Congress, just like Lafayette and Churchill.

The New York Times.

You Love to Hate Them, So Give a Bronx Cheer

By Barry Levinson

SAN FRANCISCO — I grew up in Baltimore at a time when the tallest building was 29 stories high.

In New York, a nondescript apartment complex was taller.

We suffered from an inferiority complex.

New York had the Yankees, the best in major league baseball,

MEANWHILE

and we had a minor league franchise in the International League. Then in 1954 we got the Baltimore Orioles, and they promptly lost 100 games in their first season. We were very embarrassed.

Before the next year began the Orioles traded a large chunk of the team to the Yankees in a 17-player deal. A con job, we thought — we got nine players for eight. Among the players we pawned off on the New York guys: Don Larsen.

So what happens? In the annual Yankees vs. the World Series in 1956 (that particular year, the world was represented by the Brooklyn Dodgers), Larsen pitches a perfect game. Then, as if to rub it in, Bob Turley, another of the players we sent to New York, wins the Cy Young Award in 1958.

We were embarrassed. Again. As we rolled into the late 1950s and early 1960s, the Yankees had all that power and we had the legacy of Vern Stephens, who had led our team in 1954 with eight home runs.

The Orioles could never beat the Yankees, and I suffered. That suffering included the indignity that my cousin, my favorite cousin, was a Yankees fan.

We'd go to a hotel in downtown Baltimore to meet the Yankees as they got off the team bus. Autographs of Mantle, Berra, Ford, Skowron — he got them all. I just watched, hating every one of those talented legends.

And then, in 1966, Frank Robinson came to Baltimore and everything changed. Winning! Pennants! The World Series! And the sweet satisfaction that the Yankee teams were in the toilet.

But nothing good lasts forever. When Reggie Jackson left Oakland after the 1975 season he made a stop in Baltimore, but by 1977 he had moved on to the Yankees, and again the Bronx Bombers were world champions.

This time, though, we could live with it. We were almost always a team to be reckoned with, and we came back for another world championship in 1983.

Now we have a real rivalry. For the second year in a row, both the Orioles and the Yankees are headed to the playoffs.

Baltimore, of course, has better fans — or more of them. The Orioles outdraw the Yankees by a million a year, and there must be 30 million more New Yorkers.

So baseball teaches us that times change, that the improbable has a way of coming to pass. That's what happened on a night about two years ago.

Before the next year began the Orioles traded a large chunk of the team to the Yankees in a 17-player deal. A con job, we thought — we got nine players for eight. Among the players we pawned off on the New York guys: Don Larsen.

So what happens? In the annual Yankees vs. the World Series in 1956 (that particular year, the world was represented by the Brooklyn Dodgers), Larsen pitches a perfect game. Then, as if to rub it in, Bob Turley, another of the players we sent to New York, wins the Cy Young Award in 1958.

We were embarrassed. Again. As we rolled into the late 1950s and early 1960s, the Yankees had all that power and we had the legacy of Vern Stephens, who had led our team in 1954 with eight home runs.

The Orioles could never beat the Yankees, and I suffered. That suffering included the indignity that my cousin, my favorite cousin, was a Yankees fan.

We'd go to a hotel in downtown Baltimore to meet the Yankees as they got off the team bus. Autographs of Mantle, Berra, Ford, Skowron — he got them all. I just watched, hating every one of those talented legends.

And then, in 1966, Frank Robinson came to Baltimore and everything changed. Winning! Pennants! The World Series! And the sweet satisfaction that the Yankee teams were in the toilet.

But nothing good lasts forever. When Reggie Jackson left Oakland after the 1975 season he made a stop in Baltimore, but by 1977 he had moved on to the Yankees, and again the Bronx Bombers were world champions.

This time, though, we could live with it. We were almost always a team to be reckoned with, and we came back for another world championship in 1983.

Now we have a real rivalry. For the second year in a row, both the Orioles and the Yankees are headed to the playoffs.

Baltimore, of course, has better fans — or more of them. The Orioles outdraw the Yankees by a million a year, and there must be 30 million more New Yorkers.

So baseball teaches us that times change, that the improbable has a way of coming to pass. That's what happened on a night about two years ago.

It was Sept. 6, 1995, and Lou Gehrig's unbreakable consecutive game record was about to fall. Baltimore's Iron Man, Cal Ripken, had tied the Yankee immortal the day before. I flew in from New York, where I was filming, to see the event. I sat in the box of Peter Angelos, the Orioles' owner, and in front of me was Joe DiMaggio.

The Yankee Clipper was in Baltimore. Someone asked if I'd like to meet The Man, and I was shaking his hand seconds later. We talked. Baseball stories. And then he handed me a piece of paper.

"Take a look at this," he said. It was his speech for the Cal Ripken celebration. He asked what I thought, and I was completely taken aback. Joe DiMaggio — the man from the team I loathe, the man who is revered — was asking me for my opinion.

I almost said, "I have to tell you that since I was a kid I've never gotten a Yankee autograph, ever; I have always hated the Yankees." But I told him the speech was straightforward, heartfelt. And he delivered it that evening with all the dignity that is Joe DiMaggio.

Back at the hotel I saw him across the lobby and approached him. I told him how well the speech had worked.

He smiled, and for a moment I was a Yankees fan to the core. But as I walked away I returned to my senses. I will always love to hate the Yankees. I will concede this, though: They have a better hat.

The writer is an author, producer and director whose films include "Rain Man" and "The Natural." He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

On Buying Voters

Regarding "Anyone for a Campaign to Stop Financing TV?" (Opinion, Sept. 20) by William Pfaff:

The question of motive haunts every campaign finance system that relies on private contributions. But in very few areas of American politics is there such a gap between what the public and journalists believe and what the academic research demonstrates. Serious research using scientific measures finds that money can probably buy access — the opportunity to persuade and make a case — but only rarely can it be shown to have bought a vote.

In any case, the chances for successful persuasion depend on whether a legislator is already favorably disposed toward an issue. Contributors contribute to like-minded candidates just as voters vote for like-minded candidates.

In other words, does the money follow the votes or do the votes follow the money? The answer is not as clear as Mr. Pfaff seems to believe.

Money is only one source of influence among many others: ideology, party affiliation, local sentiment, presidential pressure, etc. In fact, political sentiment in the home district far outweighs contributions in determining votes in Congress. It makes little sense for a politician to take a stand on an issue in order to please a contributor if it produces even a small loss of voter support.

Another area where a vast amount of research does not support popular opinion is the influence of television on voters. Citizens are smarter in recognizing their interests than the communication elite believes.

Furthermore, research in content analysis shows that paid political commercials are far better at communicating issues and positions to voters than is the news. It turns out that the news overly emphasizes the "horse race" aspect of campaigns.

A healthy suspicion of the role of money in politics is necessary in a democracy. This suspicion has led to reforms in campaign spending that have progressively made campaigns in America more open and honest. Mr. Pfaff can gather ammunition to attack politicians because campaign financing in the United States is so transparent.

A more serious problem in U.S. politics is apathy and cynicism. Research also shows that journalism that goes beyond being responsibly vigilant to venting excessive rage unduly undermines trust in elected representatives and government legitimacy. This, too, is dangerous in a democracy.

STEVEN EKOVICH.
Paris.

The writer is associate professor in the Department of Politics and International Affairs at The American University of Paris.

BOOKS

PRAGUE IN BLACK AND GOLD: Scenes From the Life of a European City

By Peter Demetz. 411 pages. $27.50. Hill and Wang.

Reviewed by
Michael Henry Heim

IN our desire to find a multicultural society that works, we cast about through history for success stories. The advertising copy I received with "Prague in Black and Gold" shows just how desperate we are. It makes the claim that the collaboration among Czechs, Germans and Jews living together in Prague from the Middle Ages on produced a uniquely cosmopolitan city, "one free for 1,000 years from the nationalism and xenophobia that mark many multiethnic societies today." It makes this claim of a book whose author on the very first page depicts his Czech-speaking Jewish mother going off to a German concentration camp.

Moreover, what follows is an account of a thousand years of ethnic strife. It is mitigated, true, by relatively halcyon interludes. In fact, the author, Peter Demetz, owes his existence to one of them: He was born just after World War I and the formation of the First Czechoslovak (that is, multiethnic) Republic, born of that Czech-speaking Jewish mother and a German-speaking Christian father. Until a postscript in which Demetz describes his 1990 return to the country he had left 50 years earlier, his account is more scholarly than personal, though the scholarly aspect, too, derives from his biography: He is Sterling Professor Emeritus of German Literature at Yale University. He thus combines personal involvement with the objectivity that comes not only from scholarship but also from the distance of exile.

Yet he does have an ax to grind. It is not against any of the ethnic groups involved. On ethnic matters he is scrupulously fair, the result being an evenhanded evaluation of the interplay of Czechs, Germans and Jews (and Italians, for whom he makes a case as a fourth group of recurrent importance) that goes beyond the standard historiographical cliché of Czechs as artisans, Germans as patricians and Jews as merchants. His ax strikes out at what he perceives as another cliché, that of "magic" Prague, the Prague of legends, alchemists, golems, baroque excess, Kafka and Surrealists. He plumps for a Prague that is a "city of analytic minds and rationalists."

Not surprisingly, his main target is a work actually called "Magic Prague," an impressionistic, highly personal evocation of the city by the Italian poet and scholar Angelo Maria Ripellino. It could not differ more from "Prague in Black and Gold." While Ripellino rambles through the city, focusing his erudition randomly on random topics, Demetz sets forth a detailed chronological narrative, and he is long on the earlier periods, leaving only 100 pages for the 19th and 20th centuries and ending his exposition in 1939. His goal is to debunk legends, be they in the minds of the folk, the schoolmaster or the jingoist.

In his zeal to exorcise all things magic, however, he gives some major phenomena short shrift. Baroque architecture, one of the glories of the city, receives a scant two pages, presumably because it exalts the irrational. Even Kafka, about whom Demetz has written elsewhere and who appears often enough here as well, receives only two consecutive, concentrated pages, and they deal with one of his stories rather than "The Trial" or "The Castle" and their covert references to Prague.

Surely Prague is a city sufficiently rich in culture and tradition to be "rational" and "magic" at once. Although Demetz does not describe how the Germans bloodily cleansed the city of Jews (to make it *Judenrein*, literally "Jew-pure") during the war or how the Czechs bloodlessly expelled the Germans (the official Czech term being *vyhostit*, literally "host out") at its end, from 1945 on Prague has been virtually mono-ethnic.

Is there then any hope for a multicultural society in the stories Demetz has to tell? "Scenes from the Life of a European City" they may be and worthy of reading as such, but they also speak by analogy to our own condition.

Michael Henry Heim, a translator of East European literature who teaches at UCLA, wrote this for The Washington Post.

BEST SELLERS

New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

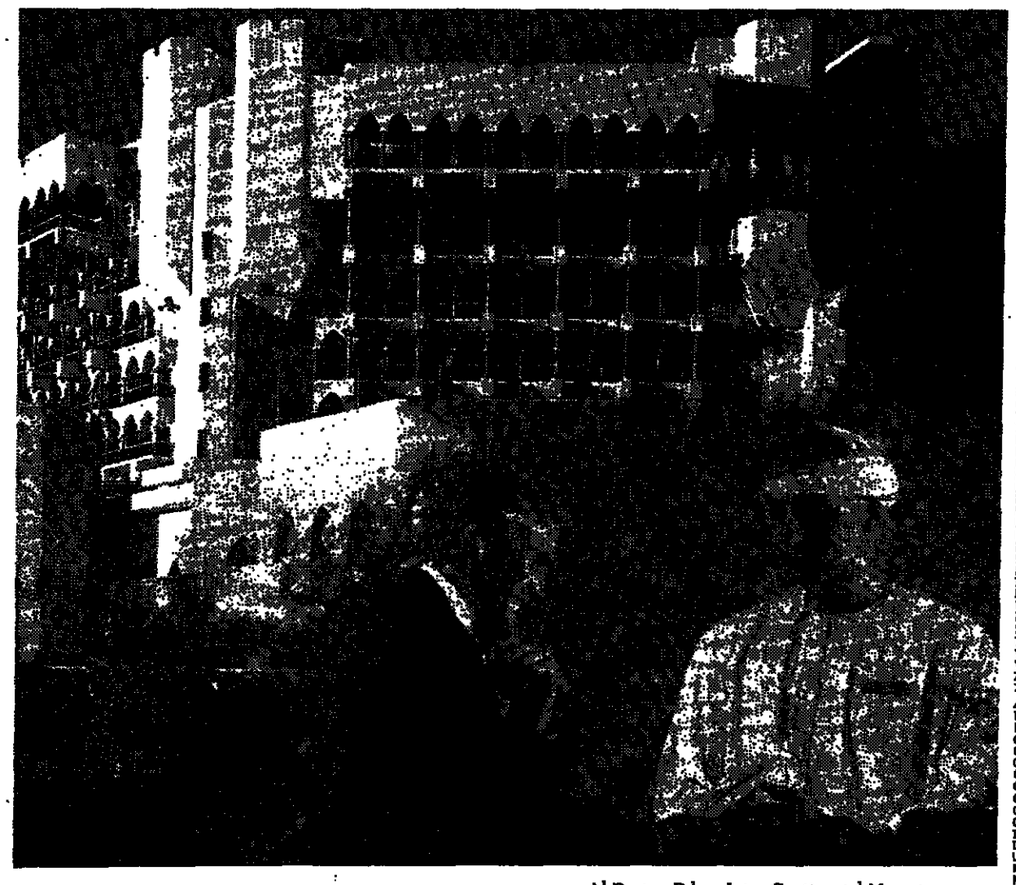
This Week		Last Week	Wks on List
1	COLD MOUNTAIN, by Charles Frazier	1	11
2	THE BEST LAID PLANS, by Sidney Sheldon		1
3	UNNATURAL EXPOSURE, by Patricia Cornwell	2	8
4	SPECIAL DELIVERY, by Danielle Steel	3	11
5	THE NOTEBOOK, by Nicholas Sparks	6	48
6	PLUM ISLAND, by Nelson DeMille	5	16
7	THE GOD OF SMALL THINGS, by Arundhati Roy	7	6
8	DEJA DEAD by Kathy Reichs	10	2
9	THE PARTNER, by John Grisham	8	22
10	IF THIS WORLD WERE MINE, by E. Lynn Harris	4	8
11	LONDON, by Edward Rutherfurd	9	16
12	WIZARD AND GLASS, by Stephen King		1
13	UP ISLAND, by Anne Rivers	12	15
14	DEAD IN THE WATER, by Susan Woods	11	4
15	SERPENT'S TOOTH, by Faye Kellerman		3

NONFICTION

1	ANGELA'S ASHES, by Frank McCourt	1	53
2	THE MAN WHO LISTENS TO HORSES, by Monty Roberts	2	5
3	THE PERFECT STORM, by Sebastian Junger	3	15
4	THE GIFT OF FEAR, by Gavin de Becker	13	12
5	INTO THIN AIR, by Jon Krakauer	4	20
6	BABYHOOD, by Paul Reiser	6	3
7	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	7	166
8	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	5	40
9	EVEN THE STARS LOOK LONESOME, by Maya Angelou	11	4
10	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	10	35
11	THE BIBLE CODE, by Michael Drosnin	8	14
12	BRAIN DROPPINGS, by George Carlin	9	16
13	CONVERSATIONS WITH GOD: Book 2, by Neale Donald Walsch	12	18
14	A SIMPLE PATH, by Mother Teresa		13
15	TUPAC SHAKUR, by the editors of Vibe		1

ADVICE, HOW-TO AND MISCELLANEOUS

1	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	2	208
2	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	1	76
3	THE ZONE, by Barry Sears with Bill Lawren	4	48
4	MIRACLE CURES, by Jean Carper		7



Al Bustan Palace Inter-Continental Muscat

No matter where you are in the world, you'll never feel like a stranger.

One World. One Hotel.
Uniquely Inter-Continental.

INTER-CONTINENTAL.
HOTELS AND RESORTS

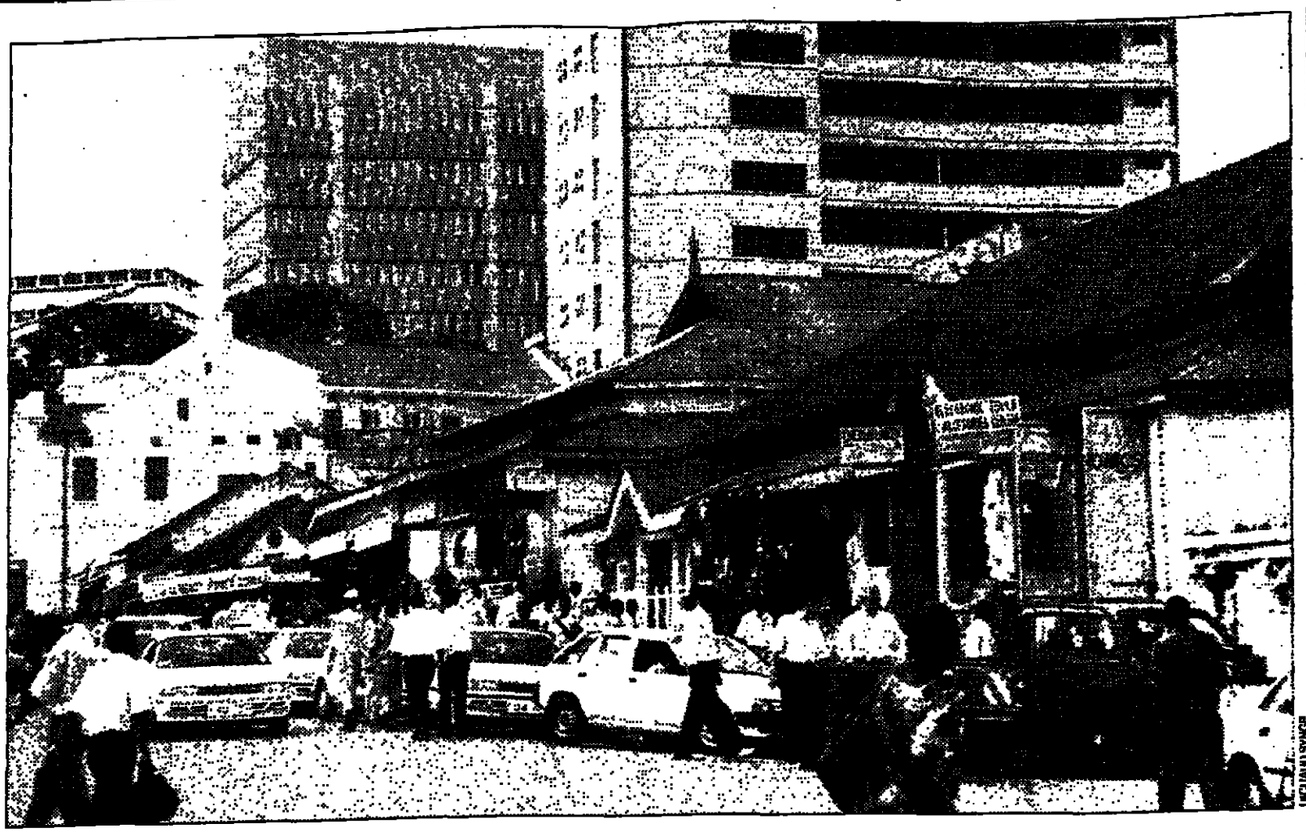
www.interconti.com

MIDDLE EAST
ABHA
ABU DHABI
AL AIN
AL JUBAIL
AMMAN
BAHRAIN
BEIRUT
CAIRO
DUBAI
HURGHADA
JEDDAH
MAKKAH
MUSCAT
PETRA*
RIYADH
SHARM EL SHEIKH
TAIF
EUROPE
AMSTERDAM
ATHENS
BARCELONA
BELGRADE
BERLIN
BRATISLAVA*
BRUSSELS
BUCHAREST
BUDAPEST
CANNES
CRACOW*
EDINBURGH
FRANKFURT
GENEVA
THE HAGUE
HAMBURG
HANNOVER*
HELSINKI
ISTANBUL
LEIPZIG
LISBON
LJUBLJANA
LONDON
LUXEMBOURG
MADRID
MONTREUX
MOSCOW
MUNICH*
NICOSIA*
PARIS
PRAGUE
ROME
STUTTGART
TASHKENT
VIENNA
WARSAW
ZAGREB
ZURICH
AMERICAS
BOGOTA
BUENOS AIRES
CALI
CANCUN
CARACAS
CARTAGENA
CHICAGO
CIUDAD GUAYANA
COZUMEL
GUADALAJARA
IXTAPA
LOS ANGELES
LOS CABOS
MANAGUA
MARACAIBO
MEDELLIN
MEXICO CITY
MIAMI
MONTREAL
NEW ORLEANS
NEW YORK
PANAMA CITY
PUERTO VALLARTA
RIO DE JANEIRO
RIO NEGRO*
SAN FRANCISCO
SANTO DOMINGO
SAO PAULO
TORONTO
VALENCIA
WASHINGTON, D.C.
ASIA PACIFIC
BALI
BANGKOK
BEIJING
CHENGDU
COLOMBO
JAKARTA
KUALA LUMPUR
MANILA
NEW DELHI
PHNOM PENH
QINGDAO
SEOUL
SHENZHEN*
SINGAPORE
SYDNEY
TAIPEI
TOKYO
YOKOHAMA
AFRICA
ABIDJAN
CAPE TOWN
DURBAN
JOHANNESBURG
KINSHASA
KRUGER NATIONAL PARK
LUSAKA
NAIROBI
VICTORIA FALLS
*FORUM HOTEL

SPONSORED SECTION

UGANDA: A REGIONAL POWERHOUSE

A model for development in Africa: Having laid the foundations for a convincing economic recovery, the government is now trying to find ways to sustain broad-based growth. Private capital is being attracted to key areas of infrastructure, further fiscal and financial reforms are anticipated, and the focus on liberalization and modernization is accompanied by efforts to ensure that market development can benefit all sections of the population and all sectors of the economy.



UGANDA: FACTS AND FIGURES

Population (1996): 19.8 million
GDP (1996): $5.7 billion
GDP per capita (1996): $290
Sectoral growth rates (1996):
Monetary agriculture: 3.6%
Mining: 47.7%
Manufacturing: 14.6%
Construction: 17.2%

VALUE OF EXPORTS
(1996, in million U.S. dollars):

Coffee: 396.2
Fish: 39.1
Gold compounds: 30.9
Gold: 18.4
Maize: 17.8
Tea: 17.1
Beans: 16.1
Cotton: 15.3
Total exports: 665.3

Source: Ministry of Finance, Government of Uganda

PRO-BUSINESS POLICIES FUEL GROWTH

Uganda is beginning to reap the benefits of economic reform.

In Uganda, a verdant and beautiful land at the heart of Africa, the pace of business is quickening. In the wake of the momentous changes in neighboring Congo and Rwanda, there are new opportunities for trade and investment in East and Central Africa. And, thanks to Uganda's own rigorous economic policies, the conditions are now in place for real advances in self-sustaining investment within the country.

Spearheading reform: President Yoweri Museveni and his team of economic and financial advisers are widely credited with Uganda's push toward private-sector development and the quickening of trade and investment activity in the country.

Hard-working team

The push to private sector-led development is widely attributed to Uganda's no-nonsense President Yoweri Museveni and his hard-working team of economic and financial advisers. But it is also being given strong encouragement by the increasingly independent legislature, which, since it was elected last year, has subjected the most important economic measures to close scrutiny and, sometimes, modification.

After taking drastic steps to change institutional arrangements for macroeconomic management in April 1992, following a fiscal crisis in the third quarter of the 1991/92 financial year, Mr. Museveni told Parliament that inflation was indiscipline and that if the government did not collect any revenue, there should be no expenditure.

Since 1992, with Mr. Museveni's firm support, the Ministry of Finance has implemented a cash budget rule that limits the current month's expenditure ceilings to the resources mobilized the previous month. Consequently, since 1992, the government has been building up deposits in the central bank, and over the past two years, the government's domestic recurrent revenue has exceeded its recurrent expenditure.

Reputation for success

The government is sustaining and deepening a reform process that has already earned Uganda a reputation for success in the face of the difficult odds that confront most African economies. Although, as one long-term investor puts it, "90 percent of Uganda's resources are still in the ground," the conditions for greater resource development are beginning to be met.

Stringent government spending ceilings are being deliberately imposed with a view to creating room for greater efficiency and an expansion of private sector activity. Current investments in modern agricultural and agro-industrial projects are expected to reap large rewards before the end of the decade.

The macroeconomic indicators remain favorable for continued growth and low inflation. Finance Minister Jehoash Mayanja-Nkangi believes that last year's economic growth of 5 percent, in a year that was marked both by drought and an upsurge of security concerns, was an indication that much stronger growth lies ahead. "Ten years ago, such shocks would have had a devastating effect on the whole economy," he says.

Meeting its targets

The secret of Uganda's success lies in its ability to keep to its macroeconomic targets, says the World Bank's resident economist, Iradj Alikhani. "Government spending has not exceeded 18 percent of GDP over the past four years in a continent where the average government spending is more like 30 percent of GDP."

The government has little room to maneuver, especially in the light of its ambitious development targets for the educational sector, for example. To have the money to meet such needs, the authorities depend critically upon efficient revenue collection, which saw some slippage last year. But this was a one-off event, says Mr. Alikhani.

"The strengthening of value-added tax collection, combined with a recent shake-up in the Uganda Revenue Authority, is expected to produce a stronger revenue performance in the current year," he adds.

Privatization under way

An immediate economic policy priority is to complete the privatization process, which is now widely praised for increasing output, employment, wages and tax collection in most of the companies that have already been transferred to private ownership.

Although there has been concern regarding the low market value of some assets, the argument is increasingly accepted, even in the Ugandan Parliament, that the massive inefficiencies in a number of the remaining public enterprises have made their sale to responsible investors a matter of urgency. "There is broad agreement on the need to transfer the burden of public enterprises to the private sector," says the director of the government's privatization unit, Michael Opagi.

Due for negotiation in the near future are sales of controlling interests in some of Uganda's largest enterprises, including Uganda Telecommunications, Uganda Commercial Bank, the National Insurance Corporation, and important production units in the coffee, cotton and mining sectors.

Some deals with strategic investors have already been signed, while final preparations are being made for the sale of shares to the public through the newly established Uganda Securities Exchange.

Even before the current privatization round began, Mr. Mayanja-Nkangi estimated that privatization had already reduced government subsidies by more than $100 million a year. For a poor country, such savings go a long way to reducing waste and promoting growth.

Debt reduction

As an added bonus, Uganda has become the first country in Africa to win a substantial measure of debt relief under a special initiative designed to benefit highly indebted, impoverished countries.

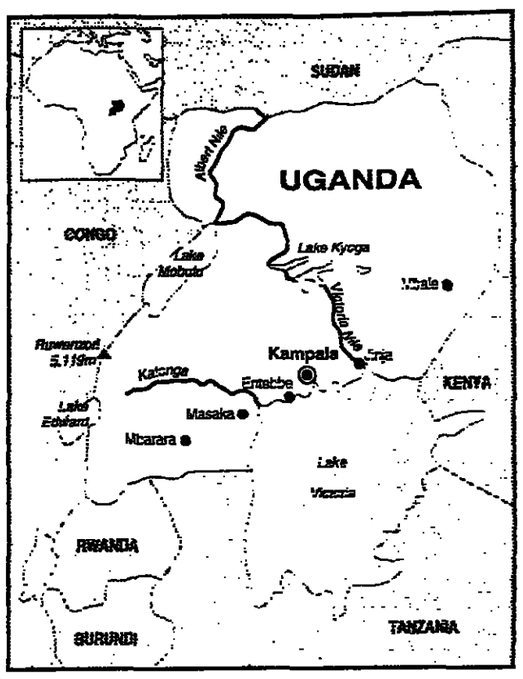
The debt reduction amounts to $700 million out of Uganda's national debt burden of $3.6 billion; it offers a valuable mechanism to reduce indebtedness to the multilateral organizations and thereby to reduce overall debt to sustainable levels.

Helped by savings in public expenditure, the government plans to keep its overall fiscal deficit to sustainable levels, while raising adequate resources to finance essential government spending and providing adequate incentives for private sector expansion.

Private sector mobilized

The response from the private sector has been extremely positive. Companies are mobilizing their available resources to develop existing and new businesses. The larger investors are concentrating on export-oriented ventures in farming, manufacturing and tourism, all of which show strong potential.

"The private sector is growing by leaps and bounds," says Sam Rutega, executive director of the Private Sector Foundation. "Ten percent of our thriving businesses are new. Creating the right business climate can only trigger the development of more businesses." ●



SOCIAL AMBITIONS, FISCAL PRUDENCE

A look at the country's 1997-98 budget.

The 1997-98 budget outlines the strictest measures of expenditure reduction ever proposed by a Ugandan government. President Yoweri Museveni's policy of universal primary education has ushered in a social revolution of sorts. Given the government's long-standing policy of fiscal restraint, the Finance Ministry had no choice but to order cuts in spending elsewhere in order to provide for the massive influx of new pupils, the expansion of the teaching payroll and the building of new classrooms in every school.

Not only have some regular budgetary spending items been reduced by as much as 30 percent in this financial year, but all officials, without exception, are now required to justify the smallest items of expenditure on a regular basis, since any overspending today will inevitably lead to more severe cutbacks tomorrow.

On the spot

International donors have also been put on the spot by the president's introduction of an education policy that they support in principle, even if they had not expected to allocate additional resources for its implementation.

Faced with such a challenge, the World Bank and other donors have now accepted it and will soon be making more resources available specifically for Uganda's educational expansion. The principal longer-term concern is that the education system should not sacrifice its quality for quantity.

When it comes to manipulating the Ugandan government's financial means to facilitate such an increase in educational spending, the credit for keeping control of the fiscal program is attributed to the country's respected Treasury Secretary Emmanuel Tumusiime-Mutebile. He has been so vigilant in curbing overall budgetary spending that there should be no inflationary impact on the economy as a whole. In this respect, the formulation of the budget for the 1997-98 fiscal year is no exception and is probably the toughest budget Uganda has ever seen.

The setting for this year's public spending restraint was dictated not only by the demands of the primary education program, but also by a number of other national concerns — not least of which was the holding of both presidential and parliamentary elections during 1996 and the provision of allowances for the elected politicians. In addition, there was urgent spending on defense and security to deal with rebel activity in the north of the country and in connection with the changing situation in the neighboring Democratic Republic of Congo (formerly Zaire). To make matters more difficult, last year saw an unexpected $30 million shortfall in revenues, which was widely attributed to weak administration by the Uganda Revenue Authority.

According to Treasury Secretary Emmanuel Tumusiime-Mutebile, the two linchpins of Uganda's success are "prudential fiscal management and the liberalization of all sectors."

Loopholes at the URA have been tightened up by the appointment of a new board and executive. In keeping with his reputation for rigorous management, Mr. Tumusiime-Mutebile has insisted that overspending carried over from the last fiscal year has to be settled out of this year's revenues. The results are salutary and widespread. Public service employees are not as envied for their status as they were in the past; even government ministers have had to reduce their overseas travel to the barest minimum necessary to do their jobs effectively.

"We are finding ways to be more efficient, and government ministries are also becoming more transparent," says Budget Director Damoni Kitabire.

Mr. Tumusiime-Mutebile says that the two linchpins of Uganda's success are "prudential fiscal management and the liberalization of all sectors." As the reform and liberalization processes proceed, he is anxious to see consolidation of the rise in domestic savings and continued increases in the ratio of private investment to GDP — but he will never stop insisting that the government live within its means. ●

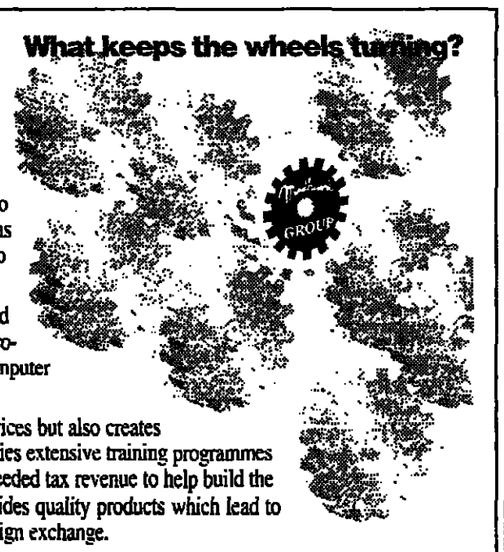
Ready for business: The conditions are in place for solid and sustained economic growth.

SUGAR DOES!

So does steel, soap, beer, cooking oil, tea, cardboard boxes, glass containers, chainlink fencing and crown corks. In fact everything that is made in Uganda.

The Madhvani Group believes that every product made, sold and provided in Uganda, builds Uganda. That's why the Group has not only expanded many of these Industries, but also entered into joint ventures to manufacture products such as Sukari Sugar and introduce new products like Rhizobium to help boost farmers' productivity.

The Madhvani Group also provides services to help build Uganda. New projects in tourism, a new television station, providing comprehension insurance services and specialised computer software support, will all help boost the economy.



But the Madhvani Group produces not only products and services but also creates jobs. The Group directly employs over 13,000 people and carries extensive training programmes in many disciplines. It also provides the country with much needed tax revenue to help build the infrastructure of the country. But most of all, the Group provides quality products which lead to fewer imports and significant exports, providing precious foreign exchange.

Next time you buy The Madhvani Group's products and use our services, remember you too are helping to keep the wheels turning. So, build Uganda, buy Madhvani.

The Madhvani Group

P.O. Box 54 Jinja, Uganda. Telephone: (256-43) 20511, 21318 Fax (256-43) 20759, 20909 E.Mail: madhvani@starcom.co.ug

Kakira sugar, Nile Special, Club Pilsener, Madhvani tea, Madhvani cooking oil, Kanga soap, Star Blue soap, Sukari Sugar, Mulbox, Crown Corks, Channel Television, East African Underwriters, Steel Corporation of East Africa, Industrial Security Services, Mweya Safari Lodge, Kalagala Falls Resort, Chobe Lodge.

"UGANDA: A REGIONAL POWERHOUSE"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
It was sponsored by Uganda's Ministry of Finance and the display advertisers.
WRITERS: *Richard Synge is based in Cambridge, England.*
PROGRAM DIRECTOR: *Bill Mahder.*

UGANDA: A REGIONAL POWERHOUSE

MAJOR ENTERPRISES ARE NOW ON SALE

Privatization has aroused international interest.

A new flurry of investor interest in Uganda has begun in the wake of the long-awaited parliamentary approval of the Communications Act in August this year, giving the go-ahead for the privatization and rapid development of the country's entire telecommunications sector. Not surprisingly, it is a process in which a number of international companies have registered strong interest.

Coordinating the telecommunications sale alongside a variety of other complex sell-offs means a busy schedule for the government's Privatization Unit, led by its new director, Michael Opagi.

The list of major Ugandan enterprises coming up for sale to investors includes a number of former monopolies and market leaders such as Uganda Commercial Bank, National Insurance Corporation, National Housing and Construction Corporation, Apolo Hotel Corporation (which owns the Kampala Sheraton), Uganda Dairy Corporation, Kinyara Sugar Works and the processing facilities of the Coffee Marketing Board. Once these sales are finalized, Uganda's privatization process will be all but complete.

Overcoming resistance

Despite the procedural, regulatory and political obstacles that have hindered the sale of Uganda's largest state-owned enterprises until now, Mr. Opagi is convinced that the government has overcome what he diplomatically describes as "psychological resistance." Many doubters, including those in Parliament, have been won over by the idea of letting the private sector instill efficiency into state corporations. He attributes the remaining resistance to individuals within the corporations' management who are reluctant to dismantle these enterprises, which have enjoyed a monopoly for so long.

The upcoming privatizations are intended not only to introduce competitive practices in the running of the country's most substantial businesses, but also to accelerate the launch of the Uganda Securities Exchange by offering government shares to the Ugandan public. During the first half of 1998, the first flotations are expected to include privatized enterprises in manufacturing, telecommunications, media and insurance.

Sources suggest that once a pattern of trading has been established, larger corporations such as Barclays Bank, BAT and the powerful Madhvani Group will help to give substance to the stock market.

Telecoms and banks

The sale to strategic investors of shares in Uganda Telecommunications will be closely watched at home and abroad.

The government's intention to license a second operator before selling the incumbent operator, Uganda Telecoms Ltd. (UTL), was thwarted when Parliament stipulated that the national operator be sold first, on the supposition that it would have a higher value while still holding a monopoly. Whichever course is taken, the way is now clear for a rapid opening up of the telecommunications market. Major communications companies from South Africa and France will be among those in the bidding.

Another focus of attention will be the sale of Uganda Commercial Bank, which has a network of branches around the country and whose nonperforming assets have been hived off to clear a backlog of bad loans. The first round of bidding earlier this year included banks and investors from Malaysia and South Africa.

Finance Minister Jehoash Mayanja-Nkangi says that the government, having borne the heavy cost of restructuring the bank, is now "firmly commited to the privatization of UCB at the earliest possible stage."

If privatization of services has taken somewhat longer than the government would have liked, there has been no such problem with its units for raw materials processing. Negotiations in recent months have brought two more such ventures close to final sale. A consortium of investors is in the final stage of reaching agreement for the purchase of the largest coffee drying and packing factory in the world, located at Bugolobi, just outside Kampala. Informed sources suggest that the selected investors are also interested in coffee growing and, potentially, in establishing an instant-coffee factory at the site.

Mineral resources

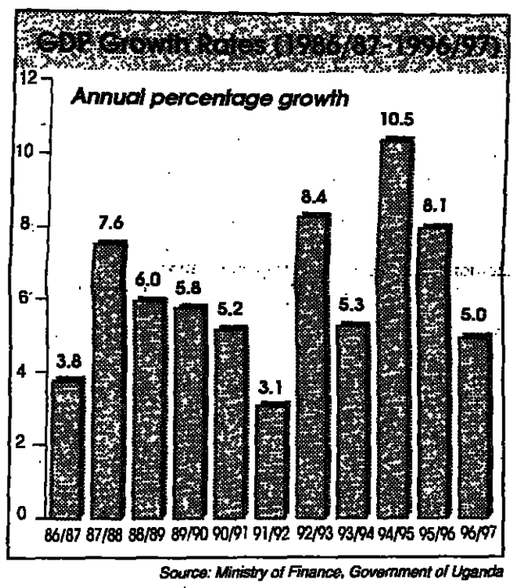
Another recently finalized deal concerns one of Uganda's most valuable mineral locations at Kilembe, in the west of the country, where tailings of earlier copper mining activity contain valuable cobalt resources.

Canada's Banff Resources, which holds 55 percent of Kasese Cobalt Company, has raised $66 million in loans from South African, European and multilateral institutions for the $125 million project. Plant construction is just beginning so that cobalt production can begin by the end of 1998. At full capacity, the project will make Uganda the world's fifth-largest producer of cobalt.

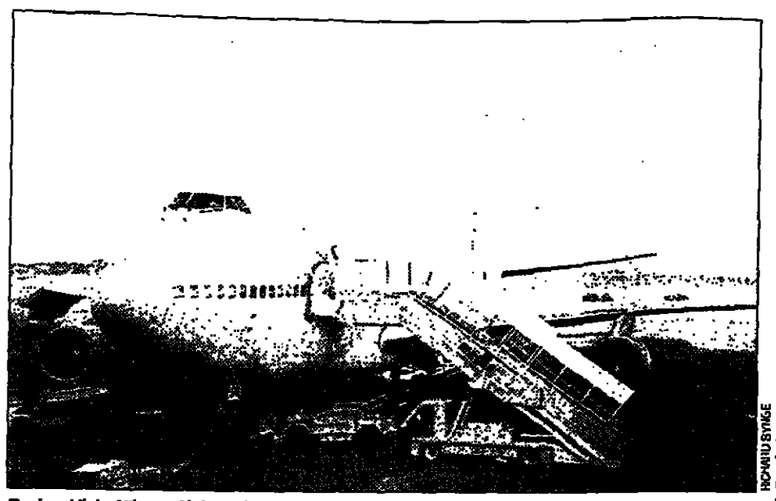
As Uganda gradually achieves a higher profile, the finalization of each deal suggests a greater level of investor confidence. ●

RICHARD SYNGE

Michael Opagi, director of the government's Privatization Unit, will be coordinating the sale of the country's entire telecommunications sector as well as a variety of other complex sell-offs.



Source: Ministry of Finance, Government of Uganda



RICHARD SYNGE

Regional link: Alliance Air is a joint venture between the airlines of South Africa, Uganda and Tanzania.

WITH MONOPOLY ENDED, COFFEE SECTOR PERKS UP

The private sector has injected new life into the industry.

The shift from public to private sector management in Uganda is nowhere more marked than in the coffee sector. The monopoly of the once-powerful Coffee Marketing Board — which formerly bought, processed and exported all of Uganda's coffee — was abruptly ended in 1990.

Private sector companies were quick to reorganize the industry and turn its fortunes around.

Although the move was among the first of President Yoweri Museveni's economic reforms, it was probably the most far-reaching. The impact was immediate as the exporting companies started to pay a fairer market price to the farmers and to make their payments promptly, rather than after the months' or years' delay that farmers experienced under the CMB.

Potential for growth

Since 1990, Uganda's coffee production has risen consistently from around 100,000 tons a year to levels nearer the 278,711 tons recorded last year, and the potential is there for much bigger rises in the future. Fred Kawuma, executive director of the Uganda Coffee Trade Federation, says that although world coffee prices remain volatile, the economics of new planting in Uganda are entirely favorable.

Uganda's robusta has a unique mild flavor much in demand among well-known European buyers and roasters like Lavazza and Douwe Egberts. Uganda's specialty arabica coffees are also becoming better known: one, known as Bugisu, recently won recognition from the Specialty Coffee Association of America.

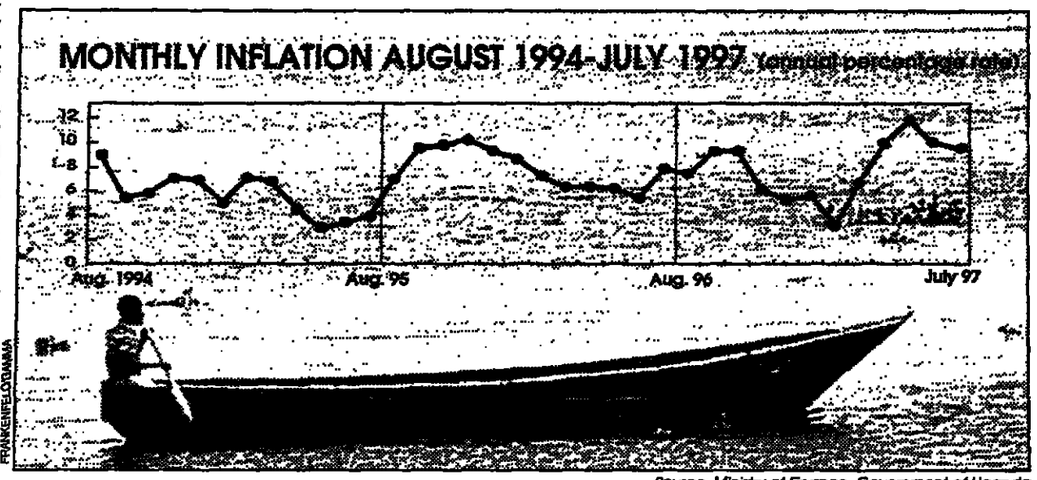
In place of the neglected coffee bushes of the past, small farmers are enlarging their plots, planting new bushes and learning how to ensure that they deliver the best quality beans for the market.

There are also moves to establish larger farms; some as big as 300 hectares are already being planted.

In place of the CMB, the largest companies in coffee are Nsamba Coffee Works, Kyagalanyi Coffee, Ugacof, Nile Commodities and Zigoti Coffee Works; each is fully equipped to buy, dry, pack and ship tens of thousands of tons of coffee every year.

These companies lead the 50 or so private companies that together account for 98 percent of Uganda's coffee exports, leaving the state sector with the remaining 2 percent. When the CMB's assets, including a large drying and packing plant, are finally sold in the coming months, the state's role will revert to that of regulator.

Although other exports have grown by leaps and bounds, coffee remains Uganda's most valuable asset by far, accounting for well over half the country's export earnings and guaranteeing an income to an estimated 1 million households. With each household supporting an average of five people, this amounts to a quarter of the country's population. ●



Source: Ministry of Finance, Government of Uganda

FROM GREEN BEANS AND FLOWERS TO AGRICULTURAL MACHINERY

The country's trade prospects are brighter than ever before.

Uganda may be landlocked, but its spirit is outward-looking and its products are finding their way to select customers around the world. Ugandan coffee, fish, green beans and flowers are now increasingly recognized for their distinctive quality.

Much remains to be done, however. A major attraction for new investors, and particularly for those now beginning to arrive from South Africa, lies in the potential for agricultural development and processing. "When my compatriots come here, they cannot understand why a country with such an abundance of fruit does not make fruit juice," says a South African diplomat, putting his finger on just one of the many areas of potential growth.

Investors speak glowingly of the prospects for entirely new crops, such as oil palm, vanilla, spices and essential oils, and the longer-term market for agricultural machinery, agrochemicals and technologies appropriate to Uganda's climate and geography.

In the export sector, the traditional coffee crop is already performing well, with the volume exported last year reaching a record 278,700 tons in 1996, and there has also been a surge in the production and export of fish, cotton, tea, cereals, beans, and hides and skins, all of which were still at minimal levels in the early years of the 1990s. Air-freight exports of flowers, fruit and vegetables have also seen dramatic growth.

Quick response

The doubling of the value of both Uganda's exports and imports over the past four years attests to the business community's quick response to the policy stimuli provided by the government. Having investigated the potential, the new breed of investors is now busy drawing up plans that will push the country through a substantial growth period in the years ahead.

According to Sam Rutega, executive director of the Private Sector Foundation, the best agricultural development prospects are considered to be in the small-to-medium investment range, which puts them within reach of Ugandan entrepreneurs who are already taking a special interest in growing cotton, tea and tobacco. Larger projects, whether in agriculture, industry or services, still tend to be dominated by either foreign or Ugandan-Asian capital. But here, too, there is change and evolution. The more established businesses are experiencing competition for their domestic market share in a way that has never been seen in Uganda before.

Companies like the multifaceted Madhvani Group now find themselves a target for offers of partnership from foreign groups wanting to establish a foothold in Uganda. A recent bid by South African Breweries for a stake in Madhvani's Nile Breweries has already led to discussions on the establishment of a strategic partnership between the two groups in the regional beer market.

With no less than 24 subsidiary companies, the Madhvani Group has long been a market leader in a range of domestic consumption products, including beer, sugar and soap, which it complements with production activities in glass, packaging, matches and steel. In the country's rapidly developing, pro-business climate, Madhvani's current strategies are directed toward consolidation and expansion.

At the center of a region attracting tremendous foreign-investor interest, Uganda is becoming the favored hub for private-sector operations

During a recent study of its options for growth, the Madhvani Group examined several areas of agro-economic potential and concluded that it had a strong comparative advantage in the sugar industry, says its project director, Farhan Nakhooda. With plans for the expansion of Kakira Sugar Works, Madhvani is now working to acquire substantial additional sugar-growing acreage in Uganda and in neighboring countries, starting with Rwanda.

Foreign-exchange earners

To stay ahead, the Madhvani Group is both developing its established strengths and turning its attention to foreign-exchange earning activities, including flowers and tourism. With the gradual return of Uganda to the world tourism market, Madhvani is preparing to establish a fully integrated circuit covering the country's prime areas of visitor interest. Having taken control of the Mweya Safari Lodge in the Queen Elizabeth National Park in 1995, the group is looking to develop a presence in other game parks as well as in the Kampala/Jinja region bordering Lake Victoria.

"Developing our existing facilities will give us the beginnings of a tourist circuit, which in the longer term we would like to expand to cover other countries of East and Central Africa," says Mr. Nakhooda.

With each passing year, the business prospects in Uganda are strengthened. Located at the center of a region that is attracting tremendous foreign-investor interest, now including the Democratic Republic of Congo and Tanzania, Uganda is becoming the favored hub for private sector operations that seek to invest in this rapidly developing part of Africa. ●

THE REPUBLIC OF UGANDA

UGANDA: INVESTING IN THE PEARL OF AFRICA

Over the past decade, Uganda has emerged as a symbol of development on the African continent. With an average growth rate of 8% over the last three years, the introduction this year of the Uganda Securities Exchange and stable, democratic leadership under President Yoweri Kaguta Museveni, Uganda presents a wealth of opportunities for investment. Uganda is now in the process of divesting its interests in a number of companies across a multitude of sectors, including:

Agriculture
Dairy Corporation
Kakira Sugar Works
Kinyara Sugar Works
Sugar Corp. of Uganda Ltd.
Uganda Livestock Industries
Uganda Meat Packers

Commerce
Govt. Central Purchasing Corp.
Produce Marketing Board

Construction
National Housing & Construction Corp.
Uganda Clays Ltd.

Finance
Bank of Baroda,
Barclays Bank Ltd
Development Finance Company
Housing Finance Company
National Insurance Corporation
Uganda Commercial Bank

Manufacturing
BAT 1984 Uganda Ltd.
Mango Development Co. Ltd.
Papco Industries Ltd.
SAIMMCO
Steel Corporation of Uganda
UGMA Engineering Corporation
Uganda Spinning Mill/Lira

Mining
Kasese Cobalt
Kilembe Mines
Other mining concessions- phosphate and salt

Publishing
The New Vision Printing & Publishing Corp.
Uganda Printing & Publishing Corp.

Tourism
Apolo Hotel Corp.
Nile Hotel International Ltd.
Uganda Hotels Ltd.
Uganda Wildlife Development Ltd.

Transport
Transocean Ltd.
Uganda Airlines Corporation
Uganda Railways Corporation

Utilities
National Water & Sewerage Corporation
Uganda Electricity Board
Uganda Telecommunications Limited (UTL)*
Second National Operator License (SNO)*

**The government is currently advertising for investors in the SNO and expects the UTL to be available by the end of 1997*

For More Information About Companies Being Privatised, Contact:

Director,
Privatisation Unit
PO Box 10944
Kampala, Uganda

Tel: (256-41) 250-108
Fax: (256-41)259-997
e-mail: pmu@imul.com
WWW page: http//uganda.privatisation.org

TOMORROW: HEALTH SCIENCE

Shuttle Diplomacy for Vietnam Films

By Joan Dupont
International Herald Tribune

TORONTO — Dang Nhat Minh, Vietnam's best-known director, wears the permanently jet-lagged look of a harried diplomat. He speaks French, Russian and Mandarin, and his incessant journeying represents an industry, born in 1959, that still struggles to exist: Vietnamese studios turn out few films and movie houses show mostly foreign videos.

Two years ago, on his way home from the Shanghai festival, the director had his passport confiscated in Hong Kong — "They think we are all boat people," he said.

At the Toronto film festival, which has a strong Asian selection, Dang presented the world premiere of "Hanoi-Winter 1946," the story of the last year before Vietnam's war with France, when Ho Chi Minh sought to negotiate and was thwarted by the French military. The film, made for $300,000, was shot in Hanoi.

"So many films have been made on Vietnam by the Americans and by the French — everybody knows Vietnam, a country that spent 30 years at war," he said, "but nobody abroad knows anything about what happened in that brief period when Vietnam didn't want war, but only to win independence, the way India won independence from England. Richard Attenborough's film on Gandhi touched me deeply, and I think that there is something of Gandhi in Ho Chi Minh, but I can only make a small movie with a small budget — few crowd scenes and a battle more heard than seen."

In the film, Ho Chi Minh, sick with malaria, is a man with nothing of the guerrilla; he sends insistent peace messages to Leon Blum's government. As the sounds of war approach, young Vietnamese sing freedom songs, and identify with the French Resistance chanting, "We too are resistants."

Dang feels that he depicted this historic moment without false heroics and without making villains of the French. Yet there are scenes that may make French people cringe: the one of French officers storming a peaceful cultural center, for example.

"You never see any generals in my film," the director said, "and there is no hatred. Our generation was deeply connected to French culture."

Dang Nhat Minh

Dang, now 55, was living in Hue, when war with the French broke out; he was 4 when his family hid out in the jungle. "I wanted to make this film in memory of my parents, who were young militants, educated in French culture, ardent admirers of Victor Hugo. It was a beautiful period for them. My mother was a Buddhist; my father was a doctor, a man of science."

A STUDENT between the wars, Dang went to Russia where he learned about Italian neo-realism and the French New Wave. "When I got back home, I translated dialogues for Russian films and fell in love with moviemaking. I am self-taught," he added.

During the war with the United States, he was in Hanoi under the bombing and worked as a journalist on the front. "The Americans came to Vietnam as soldiers, that's all — they left no cultural trace. Today, Hollywood films come to our theaters, but they are about a way of life, the consumer society, not a culture. Our experience was different with the French."

In 1986, Dang won a scholarship to go to France where he haunted the cinematheque. Since, he has kept up with every kind of movie — from Regis Wargnier's "Indochine," which he liked, to Tran Anh Hung's "Cyclo," which puzzled him; he has seen the latest from Chen Kaige, Zhang Yimou and Wong Kar-Wai, and admired the crowd scenes in Mabel Cheung's "The Soong Sisters." "Crowd scenes terrify me!" he said.

His films have always been made in the image of contemporary society: "When the 10th Month Comes" (1984) shows village life in a war-torn country; in "The Girl on the River" (1987), a prostitute shields a hunted Viet Cong soldier who rebuffs her after the war, when he becomes a government official; "The Return" (1994) is about a teacher who goes south and feels shock waves from the economic boom; "Nostalgia for the Homeland" (1995), about a 17-year-old boy's sexual awakening, takes place in a northern delta village and was made with money from NHK, the Japanese national television network.

The director, who heads the Vietnamese Filmmakers Association, is not exempt from criticism, and in fact, the intrigue and back-biting in the business made him steer his daughter away from movies. She is a medical student in Budapest.

"I was voted for a five-year term by my colleagues — my job is to defend our interests. In 1995, after the party congress, I was voted for another term, but I have no special privileges. I remember when 'The Girl on the River' came out the audiences loved it, but the press said I treated the revolutionary soldier unfairly."

"Nostalgia for the Homeland" was also subject to the criticism that the director was pessimistic about peasant life — "There was too much solitude and sorrow in the movie, and the fact that I got funding from Japan was criticized."

"Hanoi-Winter 1946," was made without foreign money, "because it is a historic subject," he said. "I didn't need more money, but one day, I would like to make a movie that is technically perfect; the sound is so terrible in Vietnamese movies."

SHOOTING started the winter of 1995, until snow fell, and resumed in February 1996. "We shot in only four locations and kept repainting the same house; we rebuilt the tramway that went through old Hanoi." The script had been approved, but cuts were made before post-production. "In one scene, a guard takes a letter from Ho Chi Minh and puts it in a pocket, low on his trouser leg — the censors said a letter from Ho Chi Minh shouldn't be treated like that."

Dang will take his film to the Chicago festival next, and to Paris. In Hanoi, where Ho Chi Minh lies embalmed, there is one movie house, the Thang Tam, where the movie will run for a week. "In Vietnam, a 35mm film has a short life and we have few theaters," he said. "Of course, there are foreigners who want to invest — Singapore, Hong Kong, America, France — they all want to put their own films in our movie houses."

Marmaduke, Opera National de Paris

Sharon Sweet and Sergei Larin in Paris production of "Turandot."

A New, Dark Vision In Paris 'Turandot'

By David Stevens
International Herald Tribune

PARIS — If Puccini's "Turandot" seems to appear slightly more often on the operatic menu these days, it probably has less to do with the popularity of a certain tenor recording of "Nessun dorma" than with the presence of a handful of sopranos willing and able to take on the title role.

The new production unveiled at the Opera Bastille on Monday is only the third in the Paris Opera's history. In 1928, two years after the Milan premiere, it was a vehicle for the great French tenor Georges Thill, but it did not stay around long. A new one was mounted in 1968 with the invincible Birgit Nilsson in the title part and richly colorful sets by Jacques Dupont that also served for Montserrat Caballe 13 years later.

This time, the icy princess of the title is sung by Sharon Sweet, who has taken on the dramatic soprano repertory in leading houses over the last decade. Despite a shaky start and a stage demeanor more petulant than imperious, she gained in security, deploying brilliant top notes, and won an ovation in the curtain calls.

As Calaf, the unknown prince who sweeps through Turandot's emotional armor with ridiculous ease, Sergei Larin brought a solid lyricism that lacked only a touch of brilliance in the famous third-act aria. Barbara Frittoli was touching as the slave girl Liu, and the veteran Robert Lloyd was a sonorous Timur. Georges Pretre, who conducted in 1968, was in solid musical control of pit and stage.

Whatever stage tradition there is for Puccini's final work, with its setting in an imaginary ancient China, went out the window in the realization of Francesca Zambello and her designer, Alison Chitty.

This was not a flamboyantly colored fairy tale with long vistas up sweeping staircases, but a dark, snowy and claustrophobic version of an imperial palace, activated by the high-tech possibilities of the Bastille stage. The colors were mainly black, gray, pale blue and off white, enlivened by brighter touches in Turandot's vestments and the red hair of her female pretorian guard.

Instead of the immobile ceremony of the three ministers, the first scene of Act 2 is set in the imperial kitchens, freshly equipped from some culinary supply house in Les Halles and with cupboards full of shriveled human heads — presumably the losers in the princess's triple-enigma puzzles. Don't ask what is on the menu.

Ping, Pang and Pong (Earle Patriarco, Doug Jones and Timothy Robinson) are kept on the move, recalling their origins in the world of commedia dell'arte and the Gozzi fable that Puccini borrowed.

This effort to find a new vision for this imaginary world sometimes works and sometimes merely uses effects without causes. When Turandot's amazons ransack the city seeking the unknown prince's identity, the search seems to consist mainly of throwing mattresses and sheets into the courtyard. The purpose becomes clear when Liu kills herself not only with a knife, but by jumping from a balcony — onto the pile of bedding.

"Autour de Turandot," an exhibition of material relating to the literary background of the work and to the two earlier productions by the Paris Opera, is at the Opera Museum in the Palais Garnier until Jan. 11.

MEANWHILE, the early days of the season are being shared by a revival of Giorgio Strehler's now historic production of Mozart's "Marriage of Figaro," which dates from 1973. It has been revived a dozen times and now, realized with remarkable fidelity by Humbert Camerlo, Strehler's assistant of 24 years ago, it is back again.

James Conlon is the conductor, and in a splendidly balanced cast Barbara Bonney's delicious Susanna and Anthony Michaels-Moore's unctuously indignant Almaviva deserve to be singled out.

Why Not Ibsen? Nunn Breaks With Tradition

By Sheridan Morley
International Herald Tribune

LONDON — Trevor Nunn, who this week becomes the fourth director of the National Theatre, has also this week triumphantly broken the handover curse of the other three. Laurence Olivier, Peter Hall and Richard Eyre all felt the need to open their managements with a staging of "Hamlet," and in every single case it was a mistake.

Nunn opened with what he has always done best, a stage community in ferment and at the barricades of some kind of civic disorder. Without denigrating the equally remarkable work he has done in chamber settings, notably the Ian McKellen "Macbeth" and (as Iago) "Othello," it still seems to me that if Nunn's reputation is to rest on any single achievement it will be the kind of crowd control and epic stage-management he brought to "Les Miserables" and "Nicholas Nickleby." And where better to try for the triple crown than with Ibsen's "An Enemy of the People," one of the very few classic plays to have at its heart a sustained public meeting? Nunn has fervently and brilliantly declared his hand as both director and producer. This is precisely the kind of huge theatrical adventure that the Olivier stage most needs, and all too seldom gets.

Christopher Hampton's new version of the text is also a revelation, taking us far away from the infinitely more simplistic adaptation by Arthur Miller in which Dr. Stockmann, the enemy of the title, becomes just another variant on John Proctor in "The Crucible," a man defiant and alone in front of the McCarthyite mob. What Hampton suggests is considerably more disturbing; that Stockmann may in many ways be as dangerously fascist as all of his crowd of opponents. And when, in Ian McKellen's breathtaking and barnstorming performance, he finally stands at the head of what is left of his family staring fiercely into the future, we are offered yet another chilling political and social image, that of the Lenin recruiting posters of the early Soviet era.

Nunn has drawn on so many influences here, from Dickens to D.W. Griffith, that at times there is the danger of simply having too much going on in too many corners of the community; but as the play's searchlight falls first on McKellen's mad professorial evangelist, then on his corrupt brother and alter ego, the mayor and police chief (Stephen Moore in a splendidly Machiavellian turn), we begin to realize that everyone here has a tale to tell, and it is only the two most virtuous, Penny Downie and Lucy Whybrow as Stockmann's long-suffering wife and daughter, whose very goodness makes them borderline boring.

Alexander Hanson in "Enter the Guardsman" at the Donmar Warehouse.

This is no longer the story of the master builder as revolutionary hero; instead it is the saga of a town in crisis, and by giving us that, Nunn and Hampton also give us back an amazingly topical piece, in which dialogues about press harassment, the morality of journalism and the hopelessness of the soft-center liberal cause seem torn from the morning papers. If the test of a great play is eternal colloquiality, then Ibsen has given us that; if it is a play about the communal corruption of the common good, then that is here too. "An Enemy of the People" has been reborn as a passionately current debate about the value of the individual, even a dangerously deranged one, when his very nobility is up against the perceived good of the majority. There is vitality, vehemence and victory here against the odds, all of which augurs well for the National's fourth leadership.

Meanwhile, its third is going out in a similar blaze of glory: Sam Mendes's equally revolutionary "Othello" (on the Cottesloe stage in a co-production with the Salzburg Festival) is the first since the current sequence of Shakespeare movies on the wide screen and in that sense it is in many ways post-Hollywood. This is the "Othello" that Orson Welles tried to make and never quite succeeded; heavily filmic, dark as any French thriller, it takes place very largely at night in council chambers and airless bedrooms where Desdemona plays blues records on an ancient wind-up phonograph.

The star of this "Othello" is, as so often, Iago, on this occasion Simon Russell Beale in a magnificently sweaty, evil-genius performance that raises the questions of why on earth Emilia married him. Around him are ranged David Harewood as a young, butch Othello, more at home perhaps in a wrestling arena than the Senate, and Claire Skinner as an upmarket Desdemona. What works best in this minimal setting is the sense of heat and evil; Mendes keeps the production crackling along, sometimes at the expense of the verse but never of the tension; somehow you feel that he, too, is desperate to find out how it will all end.

LONDON THEATER

And finally, to the Donmar Warehouse comes a score I first wrote about at this time last year, when it was named international musical of the year at a competition in Denmark; the American composer-lyricist team of Scott Wentworth, Craig Bohmler and Marion Adler have come up with "Enter the Guardsman," an enchanting, lyrical, jewel-box adaptation of a play by Molnar, who also gave us the classic "Carousel" (based on "Liliom"). This time, we are dealing with only three principal characters, the playwright, the actress and her actor-husband, who decides to enliven a dull marriage by coming to her in disguise, a plot not unknown to fans of Harold Pinter's subsequent "The Lover."

For this intimate musical version, Nicky Henson is superb as the wry, chorus-like dramatist, and Janie Dee and Alexander Hanson are charming as the odd backstage couple: in Jeremy Sams' agile production, songs run under and through the Pirandellian text in a gentle, inventive and innovative show that, rather like "She Loves Me," grows on you by its own simple desire to entertain and amuse. This is precisely the kind of musical that the Warehouse should be staging, and it can never happen too often.

Henze at 70: A Toast in Berlin

By Paul Moor
International Herald Tribune

BERLIN — For Hans Werner Henze's 70th birthday, he could hardly have wanted a handsomer tribute than his nation's capital has lavished upon him during the current Berlin Festival Weeks: two major orchestral world premieres and a stylish revival of an important early opera, plus additional events.

He dedicates his hourlong choral Ninth Symphony (commissioned and performed by the Berlin Philharmonic under the Hamburg Opera's rapidly rising star Ingo Metzmacher) "to the heroes and martyrs of German antifascism" during "the time of Nazi fascist terror" as portrayed in "The Seventh Cross" by Anna Seghers, an early leading intellectual light of Germany's Soviet zone of occupation. For Henze's choral purpose, he has set not original Seghers excerpts but lyrical paraphrases especially written by Hans-Ulrich Treichel.

Henze remains faithful to the atonal Schoenbergian muse of his youth, but in this symphony he reverts to the outsized post-Romantic orchestra, including an important organ part. It should hardly surprise that he does not shy away from violence: "Violence is what the piece is, I'm afraid, about, to a great extent." Regrettably, his manner of choral composition makes it at times impossible to follow Treichel's texts. EMI plans an early CD release of this performance.

Henze composed his atonally mellifluous Third Violin Concerto for Michael Erxleben and the Berlin Symphony Orchestra, which Michael Schonwandt conducted. The movements portray characters in Thomas Mann's "Dr. Faustus," the third deftly patterned upon Mann's composer Rudi Schwerdtfeger (arguably, alias Arnold Schoenberg), who in the novel himself composes a concerto for a specific violinist. Erxleben realized his virtuoso solo part with impressive ease.

The Deutsche Oper marshaled its biggest guns for "The Prince of Homburg," based upon Heinrich von Kleist's dramatic classic, with its gifted new musical director, Christian Thielemann, conducting and its executive director, Goetz Friedrich, staging a production innovatively designed by Andreas Reinhardt. Heading a brilliant cast, the world's leading heldentenor, Rene Kollo, appears as Brandenburg's Kurfuerst and Dietrich Henschel triumphs as the Prince. Friedrich has aspired, with limited success, to place this work into current context by interpolating nine young contemporary Brandenburgers, interacting in pantomime with the singers.

SMALL LUXURY HOTELS OF THE WORLD

Villa Saint-Elme

* * * *

Be astonished by my hotel facing the Gulf of Saint Tropez.
3 suites and 13 rooms.
To make a reservation —
in France: call toll free 0890 90 75 16
in Germany: call toll free 0130 81 89 12
in any other country: call Belgium +32 (0) 2 733 5811

CROSSWORD

ACROSS

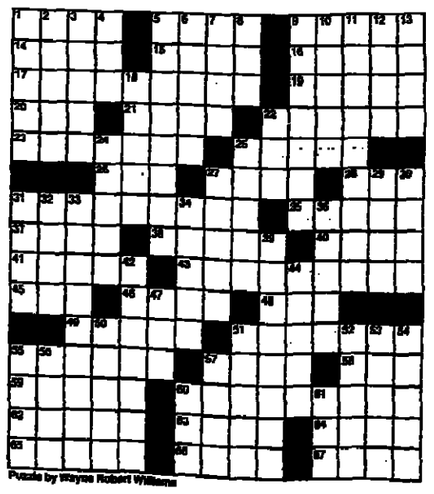
1 Flaccid
5 Writer Ferber
9 Port of Iraq
14 Neighborhood
15 Picture of a physician
16 Old-time strongman
17 Alternative to a tuning fork
19 New York city or its college
20 Mil. entertainers
21 "Sorry 'bout that!"
22 Some binary compounds
23 Apollo as god of the sun
25 Preserved for later
26 Wasn't fast ... or was fast?
27 Joke's target
28 Darling of baseball
31 Car crime
35 Practice piece
37 Folk singer Phil
38 "—— I Don't Have You" (1959 hit)
40 Holm oak
41 Makes holes
43 Practical experiment
45 Lennon's widow
46 Potter's need
48 Guy's date
49 "Missing You" singer John
51 Stanches
55 Some T-shirts
57 Piano-violin piece
58 Stage signal
59 Masseur's offering
60 Get sick in the winter
62 Lacking sense
63 Melville novel
64 Church area
65 Shot out beams
66 Actress Armstrong
67 Symbol on California's flag

DOWN

1 Drink like a cat
2 —— Sweeps Derby
3 "I want to, as well"
4 It washes Wash.
5 Explains in detail
6 Nerds
7 Siestas
8 Nautical assent
9 Principal ore of aluminum
10 Room at the top
11 Obsolete math aid
12 Family of man
13 Gray and others
18 White House architect James
22 Neighbor of Man.
24 Expunge
25 Light weight
27 Russian novelist Ivan
29 Soma old poetry
30 Waiting room call
31 Wandering soul
32 Computer image
33 Dispose of
34 Search messily
36 Library catalogue heading
39 "View of Toledo" and "Adoration"
42 Adept
44 Vader of "Star Wars"
47 "—— a Living"
50 Coeur d'——, Idaho
51 Cars
52 Purview
53 Oklahoma city
54 Passover meal
56 Be up and about
58 Actress Washbourne
59 Lady's title
60 Male swan
61 Semi part

Solution to Puzzle of Sept. 23

P	A	R	R		A	D	A	M		A	P	R	E	S
O	B	I	E		L	O	B	O		I	R	A	T	E
L	I	G	H	T	E	N	U	P		R	E	G	A	N
A	D	I	E	U			T	E	L	E	C	A	S	T
R	E	D	A	L	E	R	T		O	D	E			
			T	A	K	E	A	L	O	A	D	O	F	F
A	R	M			E	L	L	A		L	E	V	E	E
J	O	Y	R	I	D	E		P	R	E	S	E	T	S
O	W	N	E	D		A	S	T	O			N	E	T
B	E	A	G	O	O	D	L	O	S	E	R			
			I	L	L		O	P	E	R	E	T	T	A
C	A	S	C	A	D	E	S			I	F	E	E	L
A	W	A	I	T		T	H	I	N	K	F	A	S	T
P	R	I	D	E		R	E	N	O		E	S	T	O
T	Y	L	E	R		E	D	A	M		D	E	Y	S



Puzzle by Wayne Robert Williams

© New York Times/Edited by Will Shortz.

BUSINESS TO e-BUSINESS: BANKING

BUILDING SERVICES, NOT JUST BRANCHES

The rise of the Internet is changing the way banks carry out their traditional roles.

Does the rise of the Internet signal the end of banking as we know it? Is the brick-and-mortar branch bank doomed to extinction in a world of bit-based financial transactions?

"While banking services are necessary to a modern economy, banks are not," says Lode Snykers, manager of Payment Systems Solutions for IBM. His words are meant as a warning, not as a prophesy.

The traditional roles of banks — providing loans and credit, holding deposits and investments, offering current-account and transaction services — remain unchanged by technology. What is different is the world and the way in which they are carried out.

"We are witnessing a convergence of banking, payment and information industries toward a common digital-delivery platform," notes a recent study by PA Consulting, and the result is being felt commercially as well as technologically.

Analysts predict a rapid rise in transactions and value exchange on or through the Internet, ranging from low estimates of $10 billion by the year 2000 to a high estimate of $800 billion by 2005.

Forrester Research predicts that on-line credit will grow from $321 million in 1996 to $40 billion by 2001 in the United States alone, with more than $25 billion of that from mortgages.

Datamonitor says the number of on-line banking customers in Western Europe will rise to 8 million by 2001.

International Data Corp. (IDC) reports that more than 40 percent of Europe's banks already have a home page on the World Wide Web, compared with a mere 13 percent for all industries in Europe.

The advent of the Internet and associated technologies extends the reach and delivery capabilities of today's banks. Banks can use the Net

Banks can use the Net to deliver services, conduct research and develop activities around e-commerce

to describe and deliver traditional bank services, conduct research, learn more about their customers, and — most significantly — develop activities around electronic commerce.

John Geyer, research director for the Gartner Group, says, "Banks can act as catalysts to bring e-commerce to a wider community of people. They can create a Web presence not only to do banking but also to bring trusted third parties to the site to offer services to their customers, to sell computers and cars and vacations."

This "brand extension" from trust in a bank to trust in its commercial partners is happening more in Europe than in the United States, in spite of the latter's head start on the Internet.

The role of bank as "content aggregator" will be increasingly important as the user base for the Internet extends beyond today's users to the mass market — more than 140 million people in the next three years, according to some analysts' estimates.

As the market grows, so does the competition. Banks face not only their traditional competitors (other retail or wholesale banks), notes Roberto Masiero, president of IDC Europe, but new ones such as retailers, technology companies and other financial services organizations.

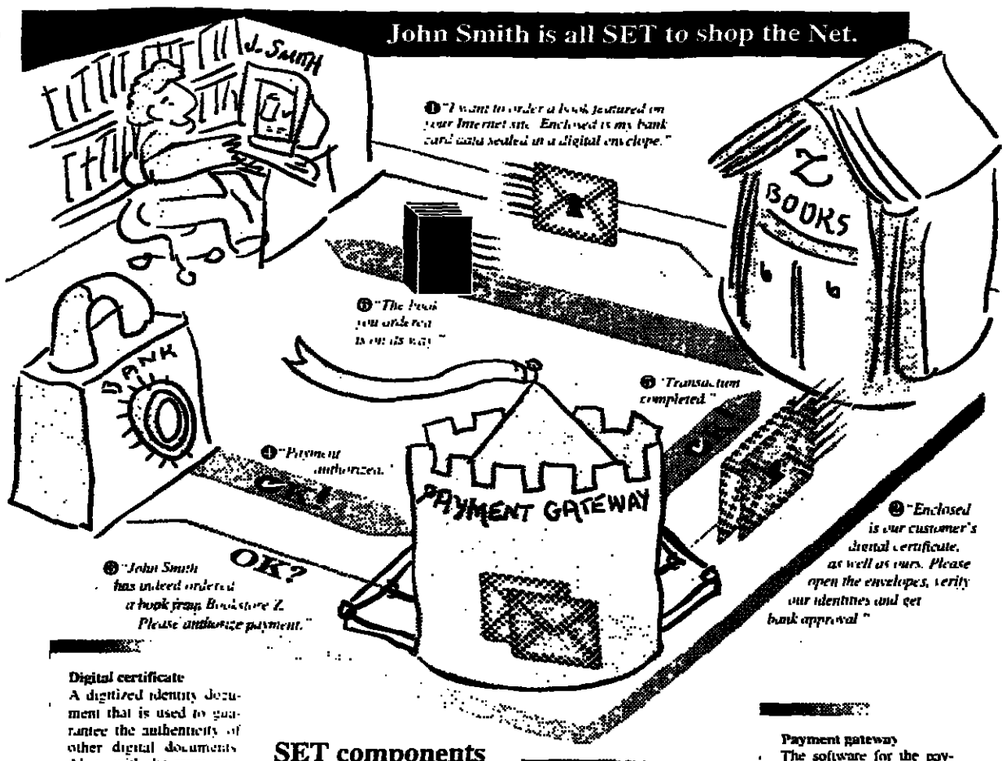
In addition, new technologies are giving rise to substitute products such as card services and derivatives. AT&T is one prominent example of an unexpected bank competitor; in four years it became the company with the second largest number of credit card holders in the United States.

Other new competitors include the branchless "virtual banks" that exist only on the Internet. The world's first Internet-only bank, Security First National Bank, reports overhead costs of less than 1 percent, compared with the typical 3.5 percent of traditional banks. A Booz-Allen study found that a transaction costing 13 cents on the Internet leaped to $1.08 if handled in a bank branch.

Advance Bank, the first "virtual bank" in Germany, was recently named the top bank for customer service in the country. It was created two years ago to reach a younger, richer customer base by offering innovative services such as creative interest options, sweep and cash management, multiple-account management and multiple currencies. Many of its services are outsourced to other banks while it focuses on its core competency, customer service. According to Rosemary O'Mahony, a managing partner of Andersen Consulting, "We will see more of this kind of partnering in the future."

Banks may find themselves forming partnerships not only with their competitors but also with technology firms, network operators, service managers and service providers.

That doesn't mean that banks will disappear, but it does mean that flexibility and service will count more than bricks and mortar in the future. Technology will level the playing field for them. Their challenge then becomes "to redefine their role and position in this world," says Mr. Snykers. "They will need to learn new ways to create and maintain a competitive and differentiated position."●



Digital certificate
A digitized identity document that is used to guarantee the authenticity of other digital documents. Along with the cryptography in SET, it can be used to ensure that a transaction is both private and trustworthy for all parties. For a cardholder, it is an electronic representation of a credit card, with the number and expiration date encrypted. A merchant's digital certificate contains identification of the merchant and information about the merchant's relationship with his or her bank and with the certificate authority.

SET components

Merchant server
A computer system — both hardware and software — that allows merchants to carry out e-commerce. It manages digital certificates and orders. Merchant servers are configured to be safe and highly reliable and to respond quickly.

Certificate authority
A trustworthy entity that issues a digital certificate after verifying the identity of the party who wants it. A certificate authority has a "root certificate," a trustworthy digital identity document of its own. The authority may be a bank (as is the case with Banesto in Spain), an electronic-payments company (like PBS of Denmark) or some other entity.

Payment gateway
The software for the payment gateway receives the certificates from the merchant and the cardholder, then passes the relevant information along to the certificate authority and finally communicates approval of the transaction. The payment gateway may lie with the merchant's bank (as in the French e-COMM system) or with an electronic-payments company (as in the Danish PBS system).

ON THE 'INFOVIA'

A Secure Electronic Transactions pilot revved up on Spain's information highway, or *Infovia*, in May 1997 with the first e-commerce transaction on the Iberian peninsula.

Banesto Bank and IBM partnered the effort, with Banesto's private card, Virtu@ICash, as the payment mechanism. José Antonio Arostegui, general manager of Banesto, kicked off the project by buying an IBM Aptiva Multimedia PC on-line from the Spanish dealer Dinsa.

In the second phase of the pilot, scheduled to begin in October, all Banesto customers with Virtu@ICash cards will be able to buy items from Dinsa and 100 other shops over the Internet, using SET protocols to ensure security and confidentiality.

"We expect this pilot to last three months. After this period, we will offer the solution to both shops and customers," says Nieves Feijoo, Banesto's project manager for SET.

Spain is one of Western Europe's most advanced countries in terms of electronic payments. With one ATM machine for every 1.13 inhabitants, it has the highest ratio of ATMs per capita in the world. It also has the lowest rate of fraud per transaction in the world, according to José Manuel Gabeiras, CEO of Visa España.

Nevertheless, security is a major consideration in the continued expansion of electronic banking.

"We believe SET will become the standard because of the strength of its security," says Ms. Feijoo, "and because all the most important credit card companies are driving its development. We expect that SET expansion worldwide will increase the number of shops using the Internet as a channel to sell their products securely."

Banesto has moved aggressively to exploit the Internet in other ways as well. It has had a Web site since May 1995 and began offering its merchants and suppliers a secure-payment module based on SSL (Secure Sockets Layer, a security protocol predating SET) at the same time. It has offered on-line payment services since spring 1996. More than 20,000 transactions have been completed to date, using both traditional credit cards and Banesto's own Virtu@ICash card.

Currently Banesto is the only bank in Spain to have fully implemented SET, and it leads the market in the number of businesses that have signed up to offer on-line commerce. The bank also has an assessment service for customers who want to open virtual shops.

"Technology is giving us new and powerful tools to optimize our banking infrastructure and to reach out to our customers in the very strong and competitive Spanish marketplace," concludes Ms. Feijoo.

GETTING SET FOR INTERNET SECURITY

The Secure Electronic Transactions standard promises to make electronic commerce safe.

The greatest perceived obstacle to electronic commerce today is security. Survey after survey suggests that "privacy" and "legitimacy" are concerns that need to be addressed before most businesses or consumers will pay for goods and services over the Internet.

Consumers want to make sure that their credit card numbers are protected in electronic transactions. They also want to be sure that merchants are who they say they are. Merchants have similar doubts: Are the customers who they say they are? Is the credit card or other payment mechanism legitimate? Banks, as the intermediaries, want to authenticate the claims of both parties to the transaction. Both consumers and merchants want the assurance that the bank itself is a trustworthy financial institution. And everyone wants to ensure the integrity of the data so that it cannot be altered as it flows through the network.

This seemingly complex problem is close to resolution: "As it is largely a technology issue, it is likely to be one of the most straightforward to resolve," reports the 1997 European Information Technology Observatory Yearbook. The yearbook identifies the SET (Secure Electronic Transactions) standard as "the best-known public-key encryption standard." According to technology consultancy Forrester Research, "Credit card transactions conducted using the SET protocol can provide strong security on an international level."

Created by a consortium of companies led by Visa and MasterCard, and including IBM, Microsoft, Netscape, GTE, American Express and VeriSign, SET uses encryption technology to safeguard credit card purchases over the Internet and includes "digital signatures" that confirm the identities of all the parties involved in the transaction.

These digital signatures and the mechanisms by which they can be verified to all parties in an Internet transaction constitute the major advantage of SET over existing security systems, says Lode Snykers, manager of Payment Systems Solutions for IBM. "They prevent a level of fraud that previous systems do not address."

Both merchants and cardholders will apply for digital certificates from their bank, as card applicants and merchants do for credit cards today. A recognized Certificate Authority will check applications and issue digital certificates, which cannot be altered after issuance.

IBM was the first vendor to have its products granted SET compliance by SAIC, the company charged by Visa and MasterCard to determine whether vendor products meet the standards. IBM's wide-ranging CommercePOINT family of hardware and software products has been used in many of the SET pilots now running.

A Visa-led pilot effort for SET is currently under way in Europe, encompassing 38 members representing up to 90 banks in 16 countries. MasterCard is establishing pilots with up to 50 banks worldwide, and was used for the first cross-border SET purchase in April 1997. Starting in September, post-pilot implementation of SET will begin, using the final version of SET 1.0.

Looking beyond SET acceptance, IBM is developing what it calls SuperSET to accommodate a host of consumer-oriented electronic payments. Smart card capabilities will gradually be integrated with SET standards to improve flexibility, portability and security.

Says Mr. Snykers, "With the experience of our SET pilots all over the world, we will continue to assist banks and their customers in developing and delivering services and products for the emerging electronic-commerce marketplace."●

For more information on SET, contact IBM by e-mail at kbousquet@fr.ibm.com or by fax at: +331 41 88 52 50.

COMBINING SMART CARDS AND THE NET

France may be better prepared for electronic commerce than almost any other country in the world. France's Minitel system has given the country 15 years' experience with on-line services, and microprocessors are incorporated into all its "smart" bank-debit and credit cards.

Starting in September, this lead will be taken a step further, as e-COMM, a French-based consortium, begins testing an advanced version of the Secure Electronic Transactions standard.

Launched in March 1997, e-COMM brings together three leading French banks (BNP, Société Générale and Crédit Lyonnais, which together constitute 40 percent of the French market), plus France Telecom, Gemplus (a leader in chip cards) and VISA International. It is predicated on IBM's CommercePOINT software, which incorporates the SET standard.

However, unlike SET, e-COMM's program is based on real plastic cards, not virtual ones.

While SET provides security, integrity and confidentiality in Internet transactions, says Hervé Gouëzel, president of e-COMM, the consortium adds non-repudiation, portability and micro-payment flexibility, features that are easily carried on the chip of a smart card.

"Non-repudiation" should not be confused with the customer's right to return merchandise. Instead, it is a level of assurance for a merchant once an order has been placed electronically. The French threshold for non-repudiation is higher than that of SET in its pilot form.

Portability means that customers can carry the software for e-commerce in their pockets rather than being limited to their home computers. At the outset, e-COMM will supply card readers for participants' home computers. Eventually card readers will become standard equipment on PCs, information-technology financial experts believe.

Micro-payment flexibility allows customers to make purchases for very small amounts, a feature that not all credit cards offer today.●

SET FIRSTS

Tiny Denmark is a sophisticated payments market by international standards. On a per capita basis, its credit card system and its volume in electronic payments are among the largest in the world.

So it is not surprising that PBS, the country's leader in electronic-payments processing, has been involved in both the world's first SET-secured transaction on the Internet and the first cross-border purchase using the SET protocol.

The first transaction took place in December 1996, when Carl-Christian Aegidius, general manager for IBM Nordic Region, bought Stephen King's novel "Rose Madder" on-line with his MasterCard. The purchase was the result of a cooperative effort among PBS, Europay, IBM and MasterCard. Their solution consists of a Payment Gateway that links the Internet with PBS's existing payment systems, using the Secure Electronic Transactions standard.

"The Internet is perfect for electronic commerce and is very easily accessible," says Per Ladegaard, CEO of PBS. "Now, thanks to the SET standard, it should be possible to prevent misuse of cards used for this purpose."

PBS was also involved in the first international SET transaction, when Mr. Ladegaard himself bought an airline ticket from the Norwegian airline Braathens SAFE using a Danish Eurocard/MasterCard in April 1997. Before the end of this year, the SET system will be open to general use in Denmark, and PBS will be working closely with banks to help them understand this new payments environment.

AN ON-LINE MALL DEBUTS IN HUNGARY

In October, Inter-Europa Bank of Hungary will launch the first SET-based shopping mall project in the country.

Inter-Europa is a mid-sized Hungarian bank with 16 branches, more than 25,000 customers and several years' experience in various forms of electronic banking.

It was the first Hungarian bank to offer electronic banking to businesses in 1993, and the first to offer home banking to individuals through an open network two years later. More than 60 percent of its transactions currently flow through electronic channels.

"We undertook the SET shopping mall project to gain more familiarity with the Internet and to attract businesses as customers," explains Tamás Foltányi, managing director of information technology and back office for the bank.

The mall will open with 10 shops, including a mail-order store, a travel agent, a music store, a supermarket and a purveyor of Hungarian wine.

Management of the mall is being outsourced to IBM Hungary, leveraging the latter's advanced e-business solutions for corporate customers. IBM will set up, customize and operate the commercial software, the SET Payment Gateway software, the dedicated hardware and the communications lines.

"By outsourcing this service to IBM, we are free to concentrate on our core business — providing brand new services to customers and creating strong future relationships with them," says Mr. Foltányi.

Participating merchants, who are charged a manageable monthly fee, will have the opportunity to learn how e-commerce works without the major capital investment that would be necessary were they to venture onto the Web alone. They will have the most advanced technology available through IBM.

In the long term, the bank believes that the Internet will dramatically alter the relationship between banks and their customers.

"We see competition through programs like Quicken, as well as electronic agents, network service providers and others," observes Mr. Foltányi. "Digital money may change the role of banks, and we run the risk of losing customers."

Mr. Foltányi notes that the Internet market in Hungary in the next few years will not be huge, but, he says, "It is a different market and we have to learn how to deal with it."●

WEB VENTURE DRAWS NEW CUSTOMERS

Barely seven months old, CERA Online, the Internet-banking service offered by Cera, Belgium's sixth-largest financial institution, has already exceeded expectations.

In its first four months of operation, CERA Online attracted 5,500 subscribers, including 275 who were completely new to the bank. "And the profitability of these customers is 3.5 times that of the average Cera customer," enthuses Rudi Peeters, electronic-banking officer for the bank.

The service is the first in Belgium to offer full-fledged banking information and services to its customers over the Internet. Subscribers can look at their account balance, make transfers, consult exchange rates and request general information.

A unique feature enables users to calculate the cost of a home mortgage, based on criteria such as loan rates, duration and type of payment. Outputs are displayed either graphically or in tabular format in three languages (Dutch, French and German, with English to be added). The mortgage loan calculator makes use of an "applet," an application written in Java software language that can be accessed over the Internet by just about any computer system.

This feature has attracted particular attention, says Mr. Peeters. "Everyone who goes on our Web site pulls it down. Even people outside of Belgium who are not eligible for a mortgage from us take a look."

Customers who sign up for the service receive an Internet connection and one free hour on the Net per month. For a small additional fee, they can use the IBM Global Network at rates that are among the lowest in Belgium. "This was stipulated in our contract with IBM," says Mr. Peeters.

Only 10 percent of subscribers had been connected to the Internet before signing up through CERA Online, and 60 percent choose to buy additional monthly Internet access.

Every week there are 2,000 users, conducting more than 5,000 transactions daily.

Peak hours for CERA Online are in the evenings, with activity doubling after 7 P.M.

Mr. Peeters calculates that the initiative will give Cera a marketing edge for only a year, but that it is enough time to gain a learning-curve advantage.

"CERA Online is responsible for 10 percent of all Internet connections in Belgium today," he says.

"Being an Internet service provider is not our core business, but we are playing a role in introducing technology to our society, and our customers to technology."●

"BUSINESS TO e-BUSINESS: BANKING"
is the first in a series that addresses the impact of electronic business on various industries.
It is an IHT/IBM initiative sponsored by IBM and produced by the IHT Supplements Department.
A hotlinked version of this page can be consulted at http://www.iht.com/IHT/SUP/.
WRITER: *Claudia Flisi, based in Monaco.*
ILLUSTRATIONS: *Karen Sheckler-Wilson.*
PROGRAM DIRECTOR: *Bill Mahder.*
Herald International Tribune
IBM

NYSE

Tuesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.
The Associated Press

Continued on Page 18

swissair
world's most refreshing airline.

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE

swissair
world's most refreshing airline.

Paris to Allow Airbus to Take Over Aviation-Manufacturing Assets

By Joseph Fitchett
International Herald Tribune

PARIS — In a turnabout, the French government has agreed to turn over French aviation manufacturing assets to Airbus Industrie, in an attempt to clear the way for the European consortium to become a fully independent company, European government officials and industry executives said Tuesday.

The move — intended to allow Airbus to compete more effectively against Boeing Co. of the United States — was signaled to Germany during a summit meeting last week, the officials said.

These sources said that France's top leaders had agreed to try to force Aerospatiale, the French state-owned aeronautics concern, to shift its airliner-manufacturing work to Airbus.

France's commitment — given by both President Jacques Chirac and Prime Minister Lionel Jospin to Chancellor Helmut Kohl during the meeting, but not reported at the time — should remove the biggest remaining obstacle to allowing Airbus Industrie to integrate its operations under a single management by 1999. The merged entity would be the biggest European multinational, with annual sales of $10 billion.

For months, France has been the odd man out in a European effort to allow Airbus to stand on its own and turn to the marketplace — and not cash-strapped governments — for capital to finance ambitious new airplanes and avionics.

French officials have lent support to suggestions of greater autonomy for Airbus, but they have never overruled objections from Aerospatiale — especially under Yves Michot, 58, who took over last year after a long career in the company — to relinquishing control over any of its assembly lines or design teams.

About 40 percent of Aerospatiale's work is Airbus-related, and nearly one-third of its 39,000 personnel work on Airbus projects, and the company's management argued that shifting these industrial assets to Airbus in exchange for stock would weaken France's independence in aerospace manufacturing.

Critics have said unwillingness to turn assets over to Airbus would weaken France's position in the consortium relative to Germany and Britain. But Aerospatiale's trade union strongly supported management's resistance. With a similar agenda, much of the country's nationalistic-minded aerospace industry has sought to limit the power of Airbus while hoping to see France reorganize its own companies to be the leading force in an eventual Europe-wide defense sector.

Germany and Britain had hinted that they could proceed with bilateral alliances if France delayed any longer — an argument that apparently convinced Paris to accept the idea of merging the Airbus partners into a stand-alone joint venture.

The decision, by both the conservative head of state and the Socialist prime minister, should carry enough political clout to override resistance in France. Sources familiar with the discussions said that Chancellor Helmut Kohl of Germany brought up the Airbus question forcefully with both French leaders — and got affirmative answers.

Mr. Jospin has the critical role because he is liable to face criticism from the unions and his Communist coalition partners that he has sanctioned a backdoor privatization of part of Aerospatiale.

The likely response by Mr. Jospin, an adviser said, is that strengthening Airbus offers the best answer to the threat of U.S. hegemony in the aircraft industry.

A Socialist cabinet minister recently said privately that the government would abandon its majority holding in Thomson-CSF, France's leading defense-electronics company, as it developed into a multinational.

Even if the Airbus-related work was hived off, the change would involve only a minority of Aerospatiale, most of whose work involves helicopters and regional airliners, missiles and satellites. The remaining assets would remain state-owned — and theoretically committed to merger with Dassault Aviation, the warplane-builder.

The deadlock in the government-supported merger of the two French aviation companies has colored the government's thinking about Airbus, according to industry sources. Dassault has stalled for two years against the merger order, which was apparently intended to create a domestic defense giant capable of dominating cross-border restructuring in Europe. With no progress in sight, Mr. Jospin has been "under pressure to make the Airbus deal before France lost out," according to a Socialist adviser.

Officials at Airbus and Aerospatiale said that they had not been informed of any conclusions reached at the summit meeting. Arguments about the value of the corporate assets each partner brings to Airbus — and thus the amount of shares and the controlling voice received in return — are likely to become a new ground for opposition to the deal.

The streamlined Airbus could expect to save up to 10 percent, roughly $800 million, a year by eliminating duplicate jobs in construction, transport and marketing in the four owning companies, industry sources said. The exact savings are hard to estimate because Airbus does not have any publicly available central accounting.

U.S.-Asia Talks Explore Barriers to New Turmoil

But Washington Still Opposes Rescue Fund

By Alan Friedman and Philip Segal
International Herald Tribune

HONG KONG — The United States, while opposing a proposal to set up an emergency financial rescue fund in Asia, agreed Tuesday to schedule high-level talks with several East Asian nations aimed at helping prevent further economic turmoil in the region.

"This puts us into a very constructive mode in dealing with Southeast Asia's problems," said the U.S. Treasury secretary, Robert Rubin, after a meeting he and the Federal Reserve chairman, Alan Greenspan, held with the finance ministers and central bank governors of seven East Asian countries.

The finance minister of the Philippines, Roberto Ocampo, said: "We agreed to meet again as soon as possible," although no date has been set for the meeting.

Deputy Prime Minister Anwar Ibrahim of Malaysia said the initiative for additional credit arrangements was an Asian one, and that the idea of a fresh round of discussions had been warmly welcomed by Mr. Rubin.

The new talks are likely to cover issues ranging from how to strengthen banking sectors, to ways of protecting them from the risks that come from free and open capital markets and the idea of setting up a regional bailout fund.

But at the session Tuesday between the United States and seven of the nine members of the Association of South East Asian Nations — Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam and Brunei — both Mr. Rubin and Mr. Greenspan expressed strong concerns over a regional fund for additional bailouts of troubled Asian economies.

Other governments expected to be invited to join the talks include China, Hong Kong, South Korea and Japan.

Since the Thai crisis erupted, Japan, which is beset by its own economic woes, has not played the sort of leading role many in the region had expected, and has deferred leadership to the International Monetary Fund. Now, the meetings with regional governments are likely to be spearheaded not by Japan, but by the United States.

Since July 2, when Thailand effectively devalued the baht, currencies and stock markets there and in Malaysia, the Philippines and Indonesia have had as much as 25 percent of their values wiped out by jittery local and international traders.

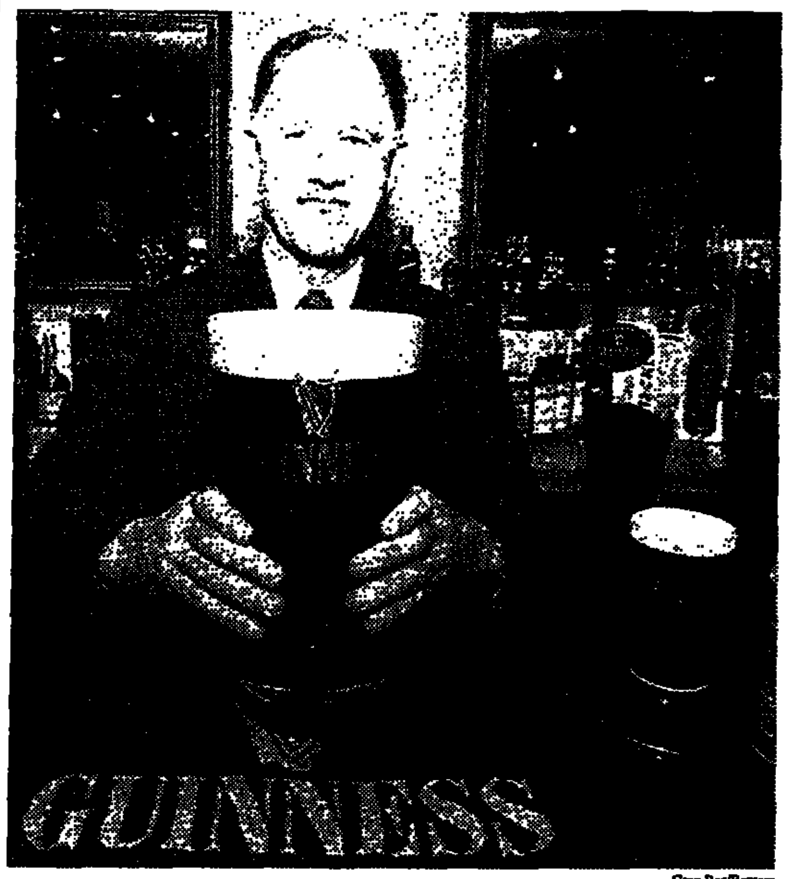
On Tuesday, Michel Camdessus, managing director of the International Monetary Fund, tried to put a brave face on the crisis in East Asian markets. In his opening address to the annual meetings of the World Bank and IMF, he said he was confident that markets in the region would soon recover. "If I had only one message to leave with you today," he said, "it would be this: These economies will emerge stronger."

But other senior officials involved in the Thai rescue and related attempts to steady regional markets said that they remained skeptical about the degree to which Thailand and other countries would be willing to close down insolvent banks, force public sector layoffs and put their electorates through a period of harsh sacrifice.

Prime Minister Mahathir bin Mohamad of Malaysia, who last weekend caused controversy by suggesting that currency trading should be banned as illegal, said Tuesday he was pleased with the new weaker level of the ringgit. "We are happy with the ringgit," he said. "It is cheap. There will be certain problems but we will manage."

News of the planned U.S.-Asian meetings came as Mr. Anwar, the Malaysian deputy prime minister, tried for the second time in as many days to calm foreign investors. In a news conference in Hong Kong he again promised no new restrictions on foreign currency trading, in an apparent contradiction of Mr. Mahathir.

"It is not a contradiction," Mr. Anwar contended, "but a clarification."



Greg Bos/Reuters

HEADY BREW — Guinness's chairman, Tony Greener, holding an oversized glass as the company presented its earnings. Page 17.

Telecom Italia Sale Fails To Attract Core Investors

Compiled by Our Staff From Dispatches

ROME — The Treasury appeared Tuesday to have fallen short of its goal of selling at least 10 percent of Telecom Italia SpA to investors it deemed "strategic," after most of the Italian telephone company's international partners refused to participate in the placement.

A group of Italian banks and insurers publicly announced bids for about 5 percent of the company as the midnight deadline expired. Members of this "core" group must pay full market price for the shares and commit themselves to keeping the stock for at least a year, obtaining the right to nominate eight of Telecom's 15 board members.

The bidding, results of which will be made public Sept. 29, is a prelude to the sale of the remainder of the government's 44.7 percent stake — now valued at 30 trillion lire ($17.17 billion) — in a public stock offering next month.

A group of Telecom Italia's partners, including AT&T Corp., Endesa SA, Bouygues SA and ABN-AMRO Holding NV, declined to participate in the group of controlling shareholders.

"This is a failure in the short term," said Alberto Ciucci, chief fund manager at Eptafund SpA. "But, in the long term, this may be good news. Maybe, this way, Telecom Italia will finally become a real public company, without assurances of board control to selected minority stakeholders."

Telecom Italia shares fell 50 lire, to close at 11,750.

Individual investors are expected to obtain a discount of as much as 10 percent in the offer, although only three board seats will be reserved for their representatives.

The government had hoped to attract industrial companies such as Pirelli SpA or the Benetton family as core investors.

Instead, the banking companies Monte dei Paschi di Siena SpA, Banca Commerciale Italiana SpA, Credito Italiano SpA, Istituto Mobiliare Italiano SpA, San Paolo Foundation and Cariplo Foundation, as well as the insurer Istituto Nazionale delle Assicurazioni SpA and Ifil SpA, the financial vehicle of the Agnelli family, said they each planned to buy 0.25 percent to 0.7 percent of Telecom.

Assicurazioni Generali SpA applied to become a core shareholder of Telecom, but the insurance company will not decide how large a stake to take until Thursday. *(Bloomberg, Reuters, AFX)*

MEDIA MARKETS

At Start of a New Season, Networks Study Darwin

By Bill Carter
New York Times Service

NEW YORK — For the network executives who program the prime-time schedules, the new television season that started this week was a D-Day of sorts: A long-planned invasion whose coming was marked by feelings of giddy excitement and abject fear.

Programmers always enter a season worried about the future of specific programs, but never before have so many of them entered a season so worried about the future of the entire business.

The list of concerns is almost as long as the list of situation comedies — in fact, at 62 and counting, the number of sit-coms is one of the concerns.

At the top of the list is the biggest issue of all: Is American network television destined to be a business continually diminishing inward from the edge, with viewers defecting to cable, syndicated shows and the Internet?

Monday night was the first night since May when viewers could see a full complement of new programming, after the grim summer diet of repeats.

Peter Roth, president of Fox Entertainment, has been the most vocal in saying the networks can no longer afford to take the summer off, counting on viewers to return in September like good schoolchildren.

Fox tried a few new shows this summer, with modest success. Overall, however, the four networks' share of the summer audience fell to an all-time low.

The networks have spent millions of dollars in advertising in other media over the last few weeks trying to reach viewers who have not been watching network television since May.

"The thing to look at early this season is: Do the shows get sampled?" asked Ted Harbert, an executive with DreamWorks SKG but a longtime ABC programmer before that. "That's why they had to spend all that marketing money this summer."

Putting on new shows that stick is more than ever a survival test for the networks. Advertising rates for television's biggest hit shows, like "Seinfeld" and "Frasier," are at best just slightly up, while the rates for second-year shows considered incipient hits, like "King of the Hill" on Fox and "Everybody Loves Raymond" on CBS, had the biggest increases in average price per commercial.

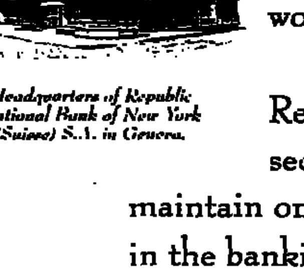
For example, according to Advertising Age magazine, the price of advertising for 30 seconds on "Everyone Loves Raymond" jumped to $215,000 from $110,000 the year before.

So far, the overall commitment of the ad industry to network television has not waned, but the networks are already wor-

See TV, Page 16

Global Private Banking

WIDELY RECOGNIZED AS ONE OF THE WORLD'S SAFEST BANKS.

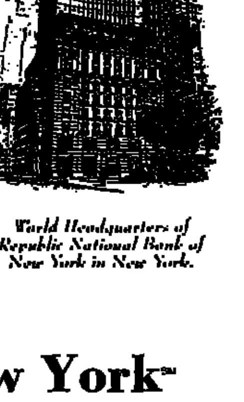


Headquarters of Republic National Bank of New York (Suisse) S.A. in Geneva.

Republic clients are uncommonly perceptive people. They know we offer all the services of a modern, growth-oriented bank. Yet ask any of them to describe Republic in one word – and that word is invariably: Safe.

The main reason is that we have built Republic's global operations with client security uppermost. It's why we maintain one of the strongest capital ratios in the banking industry, a high degree of operating efficiency and a relatively small loan portfolio. Our credit ratings are AA.

Republic is now one of America's 25 largest banks and one of Switzerland's largest foreign-owned banks, ranked by assets. Putting safety first evidently makes a great deal of sense to a great many people.



World Headquarters of Republic National Bank of New York in New York.

Republic National Bank of New York
Strength. Security. Service.

A Safra Bank • New York • Geneva • London • Beijing • Beirut • Beverly Hills • Buenos Aires • Cayman Islands • Copenhagen • Gibraltar • Guernsey • Hong Kong • Jakarta • Los Angeles • Lugano • Luxembourg • Manila • Mexico City • Miami • Milan • Monte Carlo • Montevideo • Montreal • Moscow • Nassau • Paris • Perth • Punta del Este • Rio de Janeiro • Santiago • Singapore • Sydney • Taipei • Tokyo • Toronto • Zurich

© Republic National Bank of New York, 1996

CURRENCY & INTEREST RATES

Cross Rates

Sept. 23

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.022	3.262	1.126	0.3351	0.1155*	—	5.4555*	1.3871	1.4632*	1.4556	1.3345*
Brussels	37.82	59.58	20.541	6.14	2.1163*	18.3375	—	25.22	0.3034	26.60	24.5275*
Frankfurt	1.793	2.8797	—	0.2975	0.1026*	0.8882	4.8453*	1.218	1.4719*	1.292	1.1858*
London (a)	1.6133	—	2.8946	9.7271	2,823.45	3.2594	59.75	2.3763	195.8884	2.2391	244.234
Madrid	151.379	243.448	84.343	25.098	8.651*	74.618	4.0066	102.734	124.487*	109.078	—
Milan	1,749.78	2,814.00	974.92	290.11	—	865.84	47.237	1,187.50	14.38	1,268.83	11.559
New York (b)	—	1.6144	1.7936	4.8086	1,758.00	2.0197	37.04	1.47	121.505	1.3907	151.425
Paris	6.0314	9.6995	3.3605	—	0.3447*	2.9845	0.1628	4.0933	4.9568*	4.346	3.9845*
Tokyo					Closed						
Toronto	1.3904	2.2436	0.7754	0.2307	0.0795*	0.6885	0.3756*	0.9456	1.1382*	—	0.919*
Zurich	1.4240	2.3258	0.8208	0.2443	0.0842*	0.7289	3.9756*	—	1.2195*	1.0685	0.9731*
1 ECU	1.0976	0.6825	1.97	6.6202	1,920.61	2.2182	40.6589	1.6174	133.559	1.5233	166.159
1 SDR	1.357	0.8448	2.4331	8.1847	2,374.47	2.7404	50.2772	1.9982	N.Q.	1.8828	205.424

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	283.90	Mex. peso	7.755	S. Afr. rand	4.7035
Australian $	1.3866	Hong Kong $	7.7411	N. Zealand $	1.5728	S. Kor. won	914.0
Austrian sch.	12.658	Hung. forint	196.14	Norw. krone	7.2865	Swed. krona	7.6777
Brazil real	1.0946	Indian rupee	36.31	Phil. peso	33.68	Taiwan $	28.60
Chinese yuan	8.3159	Indo. rupiah	3030.0	Polish zloty	3.44	Thai baht	36.50
Czech koruna	33.53	Irish £	0.6861	Port. escudo	182.79	Turkish lira	172605.
Danish krone	6.8475	Israeli shek.	3.5069	Russ ruble	5855.00	UAE dirham	3.6725
Egypt. pound	3.4003	Kuw dinar	0.302	Saudi riyal	3.75	Venez. boliv.	496.50
Fin. markka	5.365	Malay. ring.	3.064	Sing. $	1.5135		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6095	1.6075	1.6052	Japanese yen	121.30	120.80	120.27
Canadian dollar	1.3855	1.3831	1.3809	Swiss franc	1.4735	1.4719	1.4706
Deutsche mark	1.7955	1.7922	1.7886				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 23

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 5/8	3 3/16 - 3 1/4	1 3/8 - 1 1/2	7 - 7 1/16	3 5/16 - 3 7/16	9/16 - 11/16	4 1/8 - 4 1/4
3-month	5 11/16 - 5 3/4	3 1/4 - 3 5/16	1 3/8 - 1 1/2	7 3/16 - 7 1/4	3 1/4 - 3 3/8	1/2 - 5/8	4 3/16 - 4 5/16
6-month	5 3/4 - 5 7/8	3 7/16 - 3 1/2	1 7/16 - 1 9/16	7 5/16 - 7 7/16	3 3/8 - 3 1/2	1/2 - 5/8	4 5/16 - 4 7/16
1-year	5 13/16 - 5 15/16	3 11/16 - 3 13/16	1 11/16 - 1 13/16	7 3/8 - 7 1/2	3 3/4 - 3 7/8	9/16 - 3/4	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 5/8	5 1/2
90-day CDs dealers	5.59	5.59
180-day CP dealers	5.53	5.53
3-month Treasury bill	4.85	4.89
1-year Treasury bill	5.19	5.17
2-year Treasury bill	5.81	5.77
5-year Treasury note	6.02	5.97
7-year Treasury note	6.05	6.01
10-year Treasury note	6.09	6.05
30-year Treasury bond	6.39	6.35
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	Clsd.	0.45
1-month interbank	–	0.62
3-month interbank	–	0.54
6-month interbank	–	0.54
10-year Govt bond	–	2.16
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.13
1-month interbank	3.20	3.22
3-month interbank	3.31	3.31
6-month interbank	3.47	3.47
10-year Bund	5.77	5.55
Britain		
Bank base rate	7.00	7.00
Call money	7 1/16	7 1/16
1-month interbank	7 1/8	7 1/8
3-month interbank	7 1/4	7 1/4
6-month interbank	7 5/16	7 5/16
10-year Gilt	6.65	6.63
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 7/16	3 7/16
10-year OAT	5.48	5.48

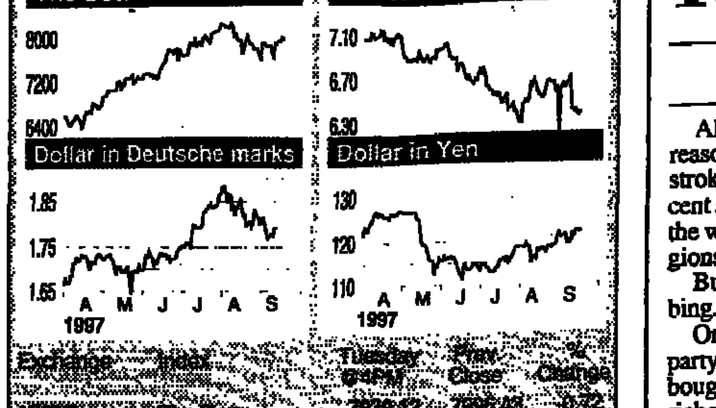
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	323.20	320.90	+0.05
London	320.70	320.90	+0.05
New York	323.50	324.30	—1.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Investor's America



Exchange	Index	Tuesday @4PM	Prev. Close	% Change
NYSE	The Dow	7939.12	7996.83	-0.72
NYSE	S&P 500	949.50	955.43	-0.61
NYSE	S&P 100	917.42	921.86	-0.48
NYSE	Composite	495.96	499.16	-0.64
U.S.	Nasdaq Composite	1691.45	1689.46	+0.12
AMEX	Market Value	683.89	689.94	-0.88
Toronto	TSE Index	7005.29	7015.00	-0.14
Sao Paulo	Bovespa	11427.14	11761.52	-2.84
Mexico City	Bolsa	5247.68	5252.57	-0.09
Buenos Aires	Merval	806.17	808.32	-1.01
Santiago	IPSA General	5528.50	5532.83	-0.11
Caracas	Capital General	N.A.	10762.79	-

Source: Bloomberg, Reuters International Herald Tribune

Texaco, Late but Eager, Joins Caspian Race

By Steve LeVine
New York Times Service

ALMATY, Kazakstan — Texaco Inc. has reason to crow about its latest deal. In one stroke, its reserve base swelled nearly 20 percent and it became a major participant in one of the world's most coveted energy-producing regions.

But that has not prevented some gentle ribbing.

One gag asks the name of the most grateful party in the deal, in which Texaco recently bought 20 percent of Kazakstan's second-richest hydrocarbon property. The answer: British Gas PLC and Agip SpA of Italy, the companies that sold off part of their stake to Texaco.

"It seemed like a headache to BG and Agip," said a Western oilman in Moscow who spoke on condition that he not be identified. "I should think they should be pleased to get rid of 20 percent."

Texaco acquired a share in Karachaganak, a vast oil and natural gas field in the steppes near the Russian border and the most troubled major energy project in the Caspian Sea region.

The field could add an impressive 700 million barrels of oil to Texaco's reserve base of 3.7 billion barrels.

Texaco's president of worldwide exploration, C. Robert Black, calls it the "hub" of a plan to play a leading role in the Caspian region.

"We are a latecomer," he said, "but I very much believe we will become a big contributor" to the region.

Five years after the European investors began negotiating for Karachaganak, the project has been all but crippled by a Russian blockade on energy exports from the region.

Its developers do not even speak of reaping the market rewards of 62 percent of Karachaganak's resources — 18 trillion cubic feet of natural gas, equivalent to 3.3 billion barrels. Rather, they focus on the third of the field's riches that remain in 2 billion barrels of a prized light crude called condensate.

"A couple of years ago, it looked like a bright deal," Julia Nanay, an analyst with the Washington-based Petroleum Finance Co., said of the Europeans' efforts to sell part of Karachaganak. "Now, it's a lot trickier question."

The State Department estimates that Kazakstan, Azerbaijan and Turkmenistan possess 178 billion barrels of proven and possible oil reserves. If so, the region would be on a par with the richest Gulf states.

Western energy companies face many perils in the region, but there has been an encouraging change. The Texaco deal coincided with a weakening of the Russian blockade.

Deputy Prime Minister Boris Nemtsov of Russia said Sept. 17 that Moscow was planning a bond issue to build a $220-million, 176-mile (282-kilometer) pipeline that would bypass unstable Chechnya.

The pipeline, Mr. Nemtsov said, was intended to ensure that Moscow could fulfill a guarantee to a consortium led by British Petroleum Co. to ship oil from Azerbaijan to a Black Sea port.

The prospect for an even further unlocking of Caspian energy exports has come with the recent appearance of two surprising potential new channels — China and Iran.

Worried about future oil supplies to its western province of Xinjiang, Beijing has bid for and won two large Kazak oil deals.

It triumphed by agreeing to build a $3.5-billion, 2,000-mile oil pipeline from Kazakstan to Xinjiang, oilmen say.

Iran burst into the regional equation when Washington unexpectedly lifted its opposition to a Turkmenistan natural gas export pipeline traversing Iran. Many Western oilmen regard Iran as the most commercially feasible export route.

The trouble for Karachaganak is that while Moscow has relaxed its attitude toward Caspian oil exports, it has kept a chokehold on the sale of natural gas abroad.

Rem Vakhirov, the chairman of Russia's natural gas monopoly, RAO Gazprom, said he was protecting the export market for his country's own considerable reserves.

Mr. Vakhirov has been quoted as saying that no Kazak natural gas would be permitted in Gazprom's export pipelines.

Bad News On Profits Hit Stocks

Micron Technology And Delta Dismay

Compiled by Our Staff From Dispatches

NEW YORK — Stocks were mixed Tuesday as Delta Air and Micron Technology reported profit weakness, renewing concerns among investors that corporate earnings will fall short of expectations.

"There's still a risk for a another week or so of disappointments," said Ted Bridges of Bridges Investment Counsel. With earnings reports coming up, he said, "you've got to own the names that are going to make or exceed their numbers."

The Dow Jones industrial average finished down 26.77 points, at 7,970.06. The broader Standard &

U.S. STOCKS

Poor's 500-stock index fell 3.50 points at 951.93, while the technology-laden Nasdaq composite index rose 7.90 to 1,697.35.

Bonds dropped, with the benchmark 30-year Treasury off 12/32 at 100 10/32, raising its yield to 6.38 percent from 6.35 percent Monday.

"The fact that long-term rates are approaching 6.25 percent is more of a positive sign than individual companies not meeting expectations," said Peter Cardillo of Westfalia Investments.

But other investors were preoccupied with the disappointing results issued Tuesday.

Delta plunged 4⅝ to 102 1/16 after it said earnings for the current quarter would not meet analysts' expectations. Micron Technology said it earned 33 cents a share in the quarter ended Aug. 28. While the profit was quadruple what the chipmaker earned a year earlier, the result was shy of analyst forecasts, and the stock sank 3½ to 37.

Aetna fell 9 1/16 to 93 11/16 as a large investor sold 1.89 million shares.

Rohr gained after not trading Monday, when it announced that it would be bought by an unnamed company. B.F. Goodrich has since said it had agreed to buy the maker of jet-engine housings for $1.3 billion in stock and assumed debt.

BellSouth rose after saying it would buy back up to $1 billion worth of stock by the end of 1998.

(Bloomberg, AP)

Very briefly:

Bertelsmann Seeks a U.S. Publisher

GUETERSLOH, Germany (Bloomberg) — Bertelsmann AG said Tuesday that it hoped to buy a U.S. publishing company in the next few months.

"For the next few months, we'll be looking out for a middle-of-the-road publishing group in America," Chief Executive Mark Woessner said, refusing to confirm or deny German reports that the German media giant was in negotiations to buy News Corp.'s HarperCollins or McGraw-Hill Cos.

• **Delta Air Lines Inc.** and **AMR Corp.'s American Airlines** cut travel-commission rates to 8 percent, matching a move last week by **UAL Corp.'s United Airlines** to cut costs.

• **McKesson Corp.** agreed to acquire the rival drugstore owner **AmeriSource Health Corp.** in a stock swap valued at $2.25 billion that includes the assumption of about $532.3 million in debt.

• **U.S.** food prices will likely rise less than 3 percent in 1998, *the Agriculture Department forecast.*

• **Morgan Stanley, Dean Witter, Discover & Co.'s** third-quarter net profit rose 51 percent to $678 million, as its securities and asset management businesses posted record earnings on rising stocks and a surge in mergers.

• **McDonald's Corp.** plans to spend more than $500 million in the next four years to double operations in Brazil. It now has 270 restaurants and 130 satellite locations in Brazil and is expected to reach annual sales of $800 million this year.

• **B.F. Goodrich Co.** agreed to buy **Rohr Inc.** for $1.3 billion in stock and assumed debt, expanding its aircraft-parts business as jetliner sales continue to boom.

• **Brazil** has dismissed the top directors of its state-controlled postal service in preparation for its restructuring and sale, the Communications Ministry said.

• **General Electric Capital Corp.** agreed to buy **Woodchester Investments PLC** for 591 million Irish punts ($864 million), bolstering its presence in the European consumer finance market.

Bloomberg, Bridge News, Reuters

Mark Slips on Reports of Falling Prices in Germany

Bloomberg News

NEW YORK — The dollar rose against the Deutsche mark Tuesday after reports of falling prices in Germany's two biggest states eased speculation the Bundesbank might soon raise interest rates.

With German unemployment at a post-World War II high, an interest rate rise could brake the country's nascent recovery from a five-year economic slump, analysts said.

"The sentiment is changing as far as Germany's ability to hike rates," said Bob Fakhouri of Generale Bank. "We could have a big dollar-mark rally."

The dollar was quoted in late trading at 1.7936 DM, up from 1.7905

FOREIGN EXCHANGE

DM at the end of the day Monday. Mr. Fakhouri predicted the dollar could reach 1.8250 DM by the end of the week.

The dollar was little changed against the yen, trading at 122.020 yen, compared with 121.825. Markets in Japan were closed for a national holiday. It had fallen earlier after Deputy Treasury Secretary Lawrence Summers said Japan's rising current account surplus remained an "important concern."

The dollar's strength against the yen can help widen the U.S. trade gap by making U.S. exports more expensive.

In Germany, prices in North Rhine-Westphalia and Bavaria fell 0.3 percent in the month to mid-September, bringing down both states' annual inflation rates. That suggested inflation in Germany as a whole may be waning enough to stay the central bank's hand.

Traders will get a fuller reading on German prices later this week when the West German consumer price index is released.

The dollar rose to 6.0286 French francs from 6.0180 francs but slipped to 1.4700 Swiss francs from 1.4710 francs. The pound rose to $1.6140 from $1.6040.

TV: *For the Networks, Giddy Excitement and Abject Fear as a New Season Opens*

Continued from Page 15

rying about what might happen if the economy goes into a downturn.

NBC's competitors see in that leading network's strategy a kind of Darwinian approach intended to ensure NBC's survival even if its competitors slide toward extinction.

Defying previous network wisdom, which counseled avoiding direct challenges to hits, NBC has begun to schedule successful shows against hot shows on other networks, looking to steal viewers rather than pull in alternative viewers.

Steve Sternberg, a senior partner with BJK&E Media, which buys commercial time for advertising clients, said the television landscape had changed so much that networks simply do not see their market in the same terms as they once did.

"Networks have their own cable interests now," he said. "They see things in terms of how well all their assets are doing." For example, NBC regularly promotes its cable networks, MSNBC and CNBC, on its programs.

Fox does not worry much that repeats of its hit, "The X-Files," run every week night at 8, pulling away viewers that might otherwise be watching network television, because the cable channel they are going to, F/X, is also owned by Fox.

Still, Mr. Sternberg wondered how viewers are helped by five networks placing high-profile shows head-to-head, as is the case now Wednesday nights, when "Third Rock From the Sun" on NBC and "The Drew Carey Show" on ABC are joined at 9 P.M. by Fox's youth hit "Party of Five," the new CBS newsmagazine "Private Eye" with Bryant Gumbel and "Star Trek Voyager" on UPN.

"Nobody has that many VCRs," Mr. Sternberg said.

AMEX

Tuesday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	223	18⅞	18	18⅜	-⅛
APC	593	7	6⅞	6⅞	-⅛
ARM Fn n	1035	21½	20⅝	21½	+1
ASR Inv	119	23⅜	23¼	23¼	-⅛
AckGrp s	157	18⅛	17¾	18⅛	+⅛
AirMd	959	1¾	1½	1½	-¼
AlldRsh	271	12⅞	12⅝	12⅝	-⅛
Alpha In	196	15¼	15⅛	15⅛	-
AltLiving	131	25½	24⅞	24⅞	-⅛
Amerac n	307	5⅛	4⅞	5	-⅛
AExpl	499	18⅜	18⅛	18⅛	-⅛
AIM 85	166	14⅞	14⅞	14⅞	-
AIM 88	130	14⅞	14⅞	14⅞	+⅛
AREInv	224	15½	15	15⅜	+⅛
AScE	163	13	12⅞	12⅞	-⅛
AmShrd	132	1⅛	1⅛	1⅛	-
Ampal wt	1580	⅛	⅛	⅛	-
Ampex	3887	4⅞	4⅝	4⅞	+⅛
Andec n	533	2⅛	2⅛	2⅛	-⅛
AndreaE s	12592	32	29	31⅛	+3
AppleOil n	293	15⅛	15	15⅛	+⅛
Arhyth	182	2⅛	2½	2½	-⅛
AstLivng s	286	17⅛	16⅞	17	-⅛
Audvic	116	10⅝	10½	10⅝	-⅛
Audvox	4216	10⅛	9⅞	9⅞	-⅛
AuranEl	121	1⅞	1⅞	1⅞	-⅛
Autotote	385	2⅛	1⅞	2	-
Azco	777	1⅛	1⅛	1⅛	-
BAT Ind	695	17⅛	17⅛	17⅛	-
BFX Hosp	315	3⅛	3⅛	3⅛	+⅛
Baker	118	9⅞	9⅞	9⅞	+⅛
Baldw	373	5½	5⅛	5⅛	-⅛
Ballyly s	329	18½	18	18	-⅛
BenLab s	572	39⅞	38⅞	39⅛	-
BemaGold	4830	3⅛	3⅛	3⅛	+⅛
BioApp	275	⅛	⅛	⅛	-
BlairCp	244	18⅛	17½	17⅞	-
BlondT	385	12⅞	12⅛	12⅛	-⅛
BogenC	153	5⅞	5⅛	5⅛	+⅛
Bowne	273	34⅛	33⅞	34⅛	+⅛

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7999.53	8005.18	7929.05	7970.06	-26.77
Trans	3171.01	3186.29	3141.44	3154.38	-31.58
Util	241.99	242.48	240.07	240.92	-1.56
Comp	2552.27	2557.10	2532.75	2541.35	-14.99

Standard & Poors

	Previous High	Low	Close	Today 4 P.M.
Industrials	1120.36	1102.08	1107.45	1114.34
Transp.	704.67	694.57	700.57	693.15
Utilities	207.61	206.00	206.45	206.88
Finance	113.14	111.39	111.75	111.78
SP 500	958.19	943.00	947.29	951.93
SP 100	924.97	910.74	912.93	919.73

NYSE

	High	Low	Last	Chg.
Composite	499.21	495.26	496.95	-2.21
Industrials	629.06	623.62	625.89	-3.07
Transp.	464.18	458.72	459.58	-4.09
Utility	297.85	295.96	297.06	+0.11
Finance	471.38	467.04	468.83	-2.19

Nasdaq

	High	Low	Last	Chg.
Composite	1697.36	1686.38	1697.36	+7.91
Industrials	1367.67	1361.71	1367.50	+1.10
Banks	1874.73	1862.69	1874.70	+6.43
Insurance	1805.48	1791.50	1803.46	+9.76
Finance	2231.07	2217.06	2225.36	-4.86
Transp.	1098.34	1090.18	1098.34	-0.70

AMEX

High	Low	Last	Chg.
690.13	683.32	685.45	-4.49

Dow Jones Bond

	Close	Chg.
20 Bonds	104.12	+0.02
10 Utilities	101.85	+0.10
10 Industrials	106.39	-0.06

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
MicrnT	134167	37⅞	35⅞	36⅝	-3⅝
Aetna Inc	83183	102½	92¾	93⅞	-9⅛
Compaq s	61430	78	76⅛	76⅜	-1⅝
Unisys	57310	12½	11⅞	12⅛	+⅛
NewsCp pf	50423	16⅞	16⅝	16⅞	+⅛
Boeing s	50290	54⅝	52⅞	54½	+1⅛
WstgEl	43789	27⅝	26⅜	27⅝	+⅛
Merck	43657	104½	101¾	103⅛	+1
IBM s	40972	105	102⅞	103½	-⅛
PhilMor s	38371	42⅝	41⅛	42⅝	-⅛
Motorola	37873	69½	67⅞	68½	+1⅛
NatnsBk s	36977	62⅞	61	62⅛	+⅛
AT&T s	36612	45⅞	44⅛	44⅛	-1⅛
Salomn	36486	71½	66	70⅝	+3⅞
GenElec s	35728	70⅞	68⅞	69¼	-1⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Informix	189358	7⅛	5⅝	6⅞	-⅛
TeleComA	120934	20	19⅞	19⅞	+⅞
Intel s	119429	98⅞	96⅛	98⅛	+2⅛
3Com	88811	52	50⅞	51⅝	+1⅛
RainSft	82253	18⅛	15⅜	16⅛	-1⅛
Cisco	77221	76⅛	75⅛	75⅝	+⅛
Ascend	73749	38⅞	37⅛	38⅛	+⅛
Quarterdk	56276	3⅛	2⅞	3⅛	+⅛
Quantum s	52766	41⅞	39⅝	41⅛	+1⅛
DellCpt s	52268	107	99⅛	100⅞	+½
MCI	48828	29⅞	29½	29½	-⅛
Oracle s	46501	37⅞	36⅞	37⅛	-⅛
TelTCIA n	45373	20⅞	20⅞	20⅞	+⅛
Cymer s	44965	33⅞	31	32⅛	+1⅛
WorldCm	44607	36⅛	35⅛	35⅝	-1⅛

AMEX

	Vol.	High	Low	Last	Chg.
JTS Corp	25546	⅞	⅛	⅛	-⅛
XCL Ltd	21441	⅛	⅛	⅛	-
SPDR	18267	95⅞	94⅞	95⅞	-⅞
ViacB	13499	33	32	32⅛	-1⅛
AndreaE s	12592	32	29	31⅛	+3
ImpCMtg	12151	27⅝	27⅛	27⅛	-
PaxsnC	11753	11⅞	11⅛	11⅛	-⅛
Hasbro s	11728	26⅞	26⅞	26⅛	-⅛
TabMex	11419	25	23½	23⅞	-1⅛
Hearx	10980	2	1⅛	1⅞	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1306	1710
Declined	1558	1197
Unchanged	555	507
Total issues	3419	3414
New Highs	255	362
New Lows	13	18

Nasdaq

	Noon	Prev.
Advanced	1641	2377
Declined	1756	1832
Unchanged	2050	1516
Total issues	5447	5725
New Highs	217	477
New Lows	38	41

AMEX

	Close	Prev.
Advanced	289	339
Declined	295	264
Unchanged	180	140
Total issues	764	743
New Highs	62	57
New Lows	3	2

Market Sales

	Today 4:00	Prev. cons.
NYSE	526.53	604.22
Amex	28.78	33.56
Nasdaq	692.21	703.72

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Alliance AllMk	-	.7433	9-29	10-10
Million DollrSa	-	.015	10-3	10-15
Ocwen Assetinv	-	.24	10-7	10-22
Putnam IntlGwth	-	.092	9-22	9-30
Putnm Intl Gwth	-	.003	9-22	9-30
Zweig Fund	-	.33	10-10	10-27
STOCK SPLIT				
General Employment 3 for 2 split.				
NFO Research 3 for 2 split.				
Noel Group 02 shares of HealthPlan Services Cp for each share held.				
Sunpoint Secs 2 for 1 split.				
Thermo Optek Cp 1 Thermo Vision share for every 10 Thermo Optek shares held.				
REVERSE STOCK SPLIT				
C-TEC Corp 2 for 3 reverse split.				
INCREASED				
Aquarion Co	Q	.41	10-10	10-30
SPECIAL				
Harrodsburg Fst	-	.20	10-6	10-16
Groupe Lapenriere	g	.10	10-16	11-6

Company	Per	Amt	Rec	Pay
REGULAR				
ASB Fncl	Q	.10	10-15	10-31
Adobe Systems	Q	.05	10-1	10-15
BellSouth	Q	.36	10-9	11-3
Boykin Lodging	Q	.45	9-30	11-6
Castle Convertl	Q	.37	9-30	10-14
Disney, Walt	Q	.1325	10-17	11-21
Freshstart Venture	Q	.11	10-10	10-23
Hardin Bncp	Q	.12	10-3	10-17
Harsco Corp	Q	.20	10-15	11-14
Horizon Group	Q	.35	9-30	10-10
Hollinger Inc g	Q	.15	11-25	12-10
Idex Corp	Q	.12	10-15	10-31
Long Island Bncp	Q	.15	10-15	11-14
Mills Corp	Q	.4725	10-1	10-21
Natl Service	Q	.30	10-3	10-14
Nippon Tel ADS	b	.1025	9-29	—
Putnm Con	Q	.20	9-22	9-30
Putnm Con	Q	.212	9-22	9-30
Second Bncp OH.	Q	.12	10-15	10-31
Southwest GA Fn	Q	.10	9-30	10-31
USF&G Pacholder	Q	.425	9-30	10-10
Warner-Lambert	Q	.38	11-7	12-10
Winton Fncl	Q	.1154	9-30	10-14

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Sept. 23, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel	High	Low	Latest	Chge	Opint
Dec 97	263	260	262¼	unch.	191,343
Mar 98	271¼	268½	271	unch.	58,150
May 98	276½	273¾	276	unch.	14,474
Jul 98	281	277¼	279¾	unch.	25,702
Sep 98	274½	271	272½	-1¼	1,869
Dec 98	272¼	268	270½	-1¼	16,039
Jul 99			282½	-½	122

Est. sales 44,000 Mon's sales 65,527
Mon's open int 507,816, up 202,177

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton	High	Low	Latest	Chge	Opint
Oct 97	223.80	219.80	220.40	-3.30	24,408
Dec 97	207.40	204.10	204.70	-2.60	44,954
Jan 98	203.30	200.50	201.50	-0.60	12,620
Mar 98	198.50	196.50	197.40	-0.70	11,431
May 98	197.20	195.20	195.80	-1.00	11,108
Jul 98	198.80	196.50	197.50	-0.60	5,552

Est. sales 18,000 Mon's sales 22,540
Mon's open int 111,680, up 538

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb	High	Low	Latest	Chge	Opint
Oct 97	23.65	23.38	23.44	-0.21	14,052
Dec 97	24.00	23.76	23.79	-0.23	52,857
Jan 98	24.20	23.97	23.97	-0.27	14,815
Mar 98	24.43	24.17	24.21	-0.23	8,502
May 98	24.50	24.33	24.33	-0.22	5,150
Jul 98	24.50	24.43	24.43	-0.21	4,914

Est. sales 12,000 Mon's sales 16,427
Mon's open int 101,121, up 1,237

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel	High	Low	Latest	Chge	Opint
Nov 97	636	629	631	-4½	96,247
Jan 98	639½	633	635¾	-3½	25,310
Mar 98	647	641	643½	-2¼	10,206
May 98	654½	649	650½	-2¾	8,939
Jul 98	661	655	657¼	-1¼	9,646

Est. sales 33,000 Mon's sales 37,652
Mon's open int 153,775, up 2,803

WHEAT (CBOT) 5,000 bu minimum- cents per bushel	High	Low	Latest	Chge	Opint
Dec 97	367½	363½	367	+2¼	59,623
Mar 98	383	377½	381	+2½	23,707
May 98	389	385¾	388½	+3¼	4,794
Jul 98	389	385	388½	+2¼	10,063

Est. sales 13,000 Mon's sales 14,710
Mon's open int 100,867, off 524

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Oct 97	68.42	67.62	67.95	-0.35	26,995
Dec 97	68.90	68.25	68.67	-0.15	33,952
Feb 98	71.47	70.95	71.20	-0.27	15,825
Apr 98	74.27	73.75	73.97	-0.30	9,201
Jun 98	70.87	70.35	70.50	-0.37	6,477
Aug 98	70.52	70.02	70.02	-0.52	1,726

Est. sales 14,870 Mon's sales 11,172
Mon's open int 94,230, up 1,335

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Sep 97	79.55	79.35	79.45	-0.15	1,954
Oct 97	80.25	79.35	79.45	-0.82	7,706
Nov 97	81.15	80.35	80.47	-0.77	3,888
Jan 98	81.90	81.25	81.47	-0.55	3,135
Mar 98	81.40	81.10	81.15	-0.45	1,751
Apr 98	81.40	81.10	81.12	-0.50	598

Est. sales 3,291 Mon's sales 2,041
Mon's open int 19,729, up 269

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Oct 97	70.17	68.75	70.05	+0.45	11,920
Dec 97	65.90	65.05	65.80	-0.17	10,597
Feb 98	65.02	64.07	64.90	+0.02	3,917
Apr 98	61.95	61.20	61.82	+0.17	1,669
Jun 98	67.20	66.80	67.15	+0.05	1,009

Est. sales N.A. Mon's sales 4,962
Mon's open int 30,310, off 473

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Feb 98	64.00	62.00	63.07	-1.17	4,974
Mar 98	63.90	62.25	62.82	-1.37	461
May 98	65.00	63.40	63.60	-1.45	109

Est. sales 2,914 Mon's sales 1,092
Mon's open int 5,608, up 88

Food

COCOA (NCSE) 10 metric tons- $ per ton	High	Low	Latest	Chge	Opint
Dec 97	1666	1647	1658	+15	40,230
Mar 98	1697	1683	1687	+7	29,306
May 98	1716	1704	1708	+7	12,208
Jul 98	1729	1727	1729	+7	3,443
Sep 98	1747	1743	1747	+7	4,730
Dec 98			1764	+7	6,487

Est. sales 5,148 Mon's sales 6,646
Mon's open int 106,440, off 279

COFFEE C (NCSE) 37,500 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Dec 97	173.00	165.50	168.85	-1.50	12,996
Mar 98	159.50	154.00	156.90	-0.90	5,703
May 98	152.00	148.50	151.50	-0.25	1,742
Jul 98	146.00	145.00	146.00	+0.25	1,684
Sep 98	140.50	139.00	140.50	+0.75	474

Est. sales 6,780 Mon's sales 4,403
Mon's open int 22,834, off 100

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Oct 97	11.11	10.95	10.98	-0.07	34,715
Mar 98	11.67	11.55	11.56	-0.01	87,731
May 98	11.77	11.67	11.68	unch.	20,881
Jul 98	11.63	11.53	11.54	-0.01	16,187

Est. sales 24,555 Mon's sales 35,656
Mon's open int 174,788, off 3,755

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Nov 97	70.20	68.50	69.25	+0.55	18,803
Jan 98	73.30	71.72	72.25	+0.60	9,422
Mar 98	75.72	74.70	75.25	+0.50	6,142
May 98	78.50	78.10	78.10	+0.55	1,522

Est. sales N.A. Mon's sales 1,786
Mon's open int 36,976, up 37

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.	High	Low	Latest	Chge	Opint
Sep 97			322.20	+1.00	46
Oct 97	322.70	321.20	322.60	+1.00	7,601
Nov 97			323.20	+1.00	
Dec 97	324.40	322.60	324.20	+1.10	117,434
Feb 98	326.00	324.60	325.80	+1.20	15,274
Apr 98	327.60	326.50	327.40	+1.30	5,735
Jun 98	329.50	327.50	329.50	+1.30	8,732
Aug 98			331.50	+1.30	4,487
Oct 98			333.60	+1.30	350

Est. sales 15,000 Mon's sales 12,022
Mon's open int 202,384, off 109

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Sep 97	94.50	93.60	93.80	-0.05	1,818
Oct 97	94.45	93.90	94.10	-0.10	3,088
Nov 97	95.10	94.75	94.80	-0.20	1,797
Dec 97	95.90	94.50	95.20	-0.25	27,633
Jan 98			95.30	-0.25	1,036
Feb 98			95.20	-0.35	1,060
Mar 98	95.80	95.25	95.30	-0.25	4,803
Apr 98	95.90	95.20	95.20	-0.25	868
May 98	95.80	95.20	95.20	-0.25	2,265

Est. sales 6,000 Mon's sales 5,028
Mon's open int 52,254, off 326

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.	High	Low	Latest	Chge	Opint
Sep 97	466.00	464.00	465.30	+2.00	167
Oct 97			465.90	+2.20	78
Nov 97			467.70	+2.20	
Dec 97	470.50	465.00	469.50	+2.20	52,387
Jan 98			471.00	+2.20	22
Mar 98	476.50	472.00	475.80	+2.40	13,091
May 98	479.30	478.00	479.30	+2.40	3,265
Jul 98			482.90	+2.50	2,363

Est. sales 9,000 Mon's sales 4,848
Mon's open int 77,679, off 369

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.	High	Low	Latest	Chge	Opint
Oct 97	442.00	433.00	435.50	-1.90	8,764
Jan 98	433.20	421.00	422.50	-4.40	4,548
Apr 98			412.50	-5.40	665
Jul 98			408.50	-5.40	3

Est. sales N.A. Mon's sales 3,168
Mon's open int 13,980, up 555

LONDON METALS (LME) Dollars per metric ton	Close		Previous	
Aluminum (High Grade)				
Spot	1654.00	1655.00	1654.00	1655.00
Forward	1659.00	1660.00	1652.00	1653.00
Copper Cathodes (High Grade)				
Spot	2071½	2072½	2072.00	2073.00
Forward	2100½	2101½	2099.00	2100.00
Lead				
Spot	627.00	628.00	617.00	618.00
Forward	638.00	639.00	627½	628.00
Nickel				
Spot	6375.00	6385.00	6380.00	6400.00
Forward	6470.00	6480.00	6480.00	6500.00
Tin				
Spot	5570.00	5580.00	5580.00	5590.00
Forward	5625.00	5630.00	5630.00	5635.00
Zinc (Special High Grade)				
Spot	1705.00	1710.00	1652.00	1657.00
Forward	1464.00	1465.00	1421.00	1422.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.	High	Low	Close	Chge	Opint
Dec 97	94.97	94.97	94.97	unch.	4,829
Mar 98	94.96	94.96	94.96	-0.01	2,439
Jun 98			94.90	-0.01	100

Est. sales 479 Mon's sales 186
Mon's open int 7,368, up 81

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct	High	Low	Close	Chge	Opint
Dec 97	107-35	107-26	107-27	- 09	230,123

Est. sales 23,800 Mon's sales 15,599
Mon's open int 232,256, up 3,857

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct	High	Low	Close	Chge	Opint
Dec 97	110-15	110-08	110-08	- 08	367,598
Mar 98	110-01	109-30	109-30	- 07	11,692

Est. sales 41,238 Mon's sales 37,441
Mon's open int 386,304, off 146

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)	High	Low	Close	Chge	Opint
Dec 97	116-01	115-17	115-18	- 13	575,669
Mar 98	115-18	115-07	115-08	- 13	36,290
Jun 98	114-31	114-29	114-29	- 13	2,109
Sep 98			114-19	- 13	1,906

Est. sales 285,000 Mon's sales 174,613
Mon's open int 635,174, off 6,491

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct	High	Low	Close	Chge	Opint
Sep 97	118-14	118-02	118-05	—0-07	4,068
Dec 97	117-31	117-16	117-22	—0-05	170,478
Mar 98	117-14	117-14	117-16	—0-05	9

Est. sales: 56,613 Prev. sales: 68,978
Prev. open int.: 174,555 up 882

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct	High	Low	Close	Chge	Opint
Dec 97	102.78	102.60	102.68	Unch.	278,554
Mar 98	101.93	101.93	101.93	Unch	1,842

Est. sales: 103,959. Prev. sales: 134,142
Prev open int.: 280,396 up 2,368

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	99.78	99.58	99.64	Unch.	133,698
Mar 98	99.06	99.00	99.02	+ 0.02	2,130
Jun 98	98.68	98.68	98.68	Unch.	0

Est. sales: 84,866.
Open int.: 135,828 Unch.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	112.30	111.76	111.84	—0.37	119,635
Mar 98	111.80	111.80	111.74	—0.31	980

Est. sales: 45,705. Prev. sales: 59,669
Prev. open int.: 120,615 up 1,804

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.	High	Low	Latest	Chge	Opint
Oct 97	94.37	94.36	94.37	unch.	28,183
Nov 97	94.34	94.33	94.33	unch.	29,143
Dec 97	94.18	94.17	94.17	unch.	7,810

Est. sales 2,956 Mon's sales 1,582
Mon's open int 69,143, up 441

EURODOLLARS (CMER) $1 million-pts of 100 pct.	High	Low	Latest	Chge	Opint
Oct 97	94.26	94.25	94.25	unch.	22,982
Dec 97	94.19	94.18	94.18	unch.	586,908
Mar 98	94.14	94.11	94.12	-0.02	394,160
Jun 98	94.06	94.03	94.03	-0.02	305,568
Sep 98	93.98	93.94	93.95	-0.03	233,852
Dec 98	93.87	93.83	93.84	-0.03	203,969
Mar 99	93.86	93.82	93.83	-0.02	144,807
Jun 99	93.80	93.77	93.78	-0.03	113,280
Sep 99	93.76	93.73	93.74	-0.03	97,893
Dec 99	93.70	93.67	93.68	-0.03	80,795
Mar 00	93.70	93.67	93.68	-0.03	69,839
Jun 00	93.67	93.64	93.64	-0.04	56,925

Est. sales 224,139 Mon's sales 153,606
Mon's open int 2,623,409, up 5,744

BRITISH POUND (CMER) 62,500 pounds, $ per pound	High	Low	Latest	Chge	Opint
Dec 97	1.6084	1.5976	1.6076	+0.0092	28,485
Mar 98	1.6020	1.5990	1.6012	+0.0092	236
Jun 98			1.5952	+0.0092	27

Est. sales 4,770 Mon's sales 3,984
Mon's open int 28,748, up 328

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr	High	Low	Latest	Chge	Opint
Dec 97	.7242	.7225	.7228	-0.0008	47,718
Mar 98	.7272	.7258	.7261	-0.0008	1,520
Jun 98	.7302	.7284	.7284	-0.0008	406

Est. sales 3,506 Mon's sales 3,141
Mon's open int 49,766, up 977

GERMAN MARK (CMER) 125,000 marks, $ per mark	High	Low	Latest	Chge	Opint
Dec 97	.5634	.5580	.5607	-0.0007	58,290
Mar 98	.5638	.5613	.5637	-0.0008	2,262
Jun 98			.5666	-0.0008	2,513

Est. sales 21,508 Mon's sales 31,401
Mon's open int 63,165, up 1,547

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen	High	Low	Latest	Chge	Opint
Dec 97	.8348	.8280	.8299	-0.0001	76,225
Mar 98	.8450	.8396	.8410	-0.0001	779
Jun 98			.8522	-0.0001	165

Est. sales 16,976 Mon's sales 19,488
Mon's open int 77,170, up 3,636

SWISS FRANC (CMER) 125,000 francs, $ per franc	High	Low	Latest	Chge	Opint
Dec 97	.6890	.6833	.6867	+0.0001	37,975
Mar 98	.6940	.6905	.6936	+0.0001	1,212
Jun 98			.7003	+0.0001	175

Est. sales 11,137 Mon's sales 13,505
Mon's open int 39,468, up 291

MEXICAN PESO (CMER) 500,000 pesos, $ per peso	High	Low	Latest	Chge	Opint
Dec 97	.12510	.12390	.12402	-.00582	25,301
Mar 98	.12085	.11960	.11980	-.00426	7,593
Jun 98	.11710	.11610	.11610	-.00355	1,480

Est. sales 11,567 Mon's sales 4,799
Mon's open int 35,433, up 392

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	92.59	92.56	92.56	—0.02	134,046
Mar 98	92.59	92.55	92.56	—0.03	105,567
Jun 98	92.69	92.63	92.64	—0.05	90,099
Sep 98	92.82	92.75	92.76	—0.06	67,067
Dec 98	92.97	92.89	92.90	—0.07	58,505
Mar 99	93.09	93.02	93.03	—0.06	61,747
Jun 99	93.17	93.11	93.12	—0.05	39,520

Est. sales: 83,724. Prev. sales: 91,626
Prev. open int.: 639,125 up 3,256

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct	High	Low	Latest	Chge	Opint
Oct 97	96.62	96.59	96.61	+0.03	6,239
Nov 97	96.53	96.51	96.52	+0.01	471
Dec 97	96.46	96.40	96.44	+0.04	292,153
Mar 98	96.23	96.17	96.21	+0.04	287,206
Jun 98	96.01	95.94	95.98	+0.04	244,396
Sep 98	95.81	95.75	95.79	+0.04	176,396
Dec 98	95.61	95.56	95.59	+0.03	158,543
Mar 99	95.46	95.41	95.43	+0.02	148,772
Jun 99	95.31	95.26	95.28	+0.01	74,384
Sep 99	95.17	95.13	95.14	+0.01	62,264

Est. sales: 212,387. Prev. sales: 220,486
Prev. open int.: 1,568,775 up 5,249

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	96.41	96.37	96.40	+ 0.03	36,973
Mar 98	96.18	96.13	96.17	+ 0.05	33,266
Jun 98	95.98	95.92	95.95	+ 0.03	27,372
Sep 98	95.81	95.75	95.80	+ 0.04	24,022
Dec 98	95.63	95.59	95.63	+ 0.03	25,162
Mar 99	95.50	95.45	95.49	+ 0.03	28,150

Est. sales: 80,923.
Open int.: 206,076 off 1,420.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct	High	Low	Latest	Chge	Opint
Dec 97	94.11	94.00	94.03	—0.05	97,924
Mar 98	94.86	94.71	94.72	—0.10	86,707
Jun 98	95.16	95.05	95.06	—0.04	71,129
Sep 98	95.17	95.09	95.12	—0.03	51,280
Dec 98	95.17	95.07	95.10	—0.03	40,909

Est. sales: 100,275. Prev. sales: 140,124.
Prev. open int.: 380,865 up 6,810

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.	High	Low	Latest	Chge	Opint
Oct 97	73.24	71.80	72.89	+0.93	2,272
Dec 97	74.70	72.67	74.42	+1.61	49,989
Mar 98	75.75	74.00	75.51	+1.48	14,383
May 98	76.30	74.60	76.00	+1.25	6,293
Jul 98	76.75	75.30	76.75	+1.39	6,039

Est. sales N.A. Mon's sales 12,124
Mon's open int 87,495, up 669

HEATING OIL (NMER) 42,000 gal, cents per gal	High	Low	Latest	Chge	Opint
Oct 97	55.35	54.40	54.64	-0.09	29,109
Nov 97	56.30	55.30	55.50	-0.07	37,756
Dec 97	57.10	56.30	56.40	-0.02	25,422
Jan 98	57.65	57.05	57.05	+0.03	21,154
Feb 98	57.80	57.10	57.20	+0.03	12,171
Mar 98	57.00	56.55	56.55	-0.48	9,115
Apr 98			55.25	+0.03	4,784

Est. sales N.A. Mon's sales 44,980
Mon's open int 153,232, up 1,436

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.	High	Low	Latest	Chge	Opint
Nov 97	19.98	19.75	19.79	+0.05	103,850
Dec 97	20.04	19.84	19.87	+0.03	61,078
Jan 98	20.07	19.89	19.91	+0.04	36,546
Feb 98	20.05	19.92	19.92	+0.04	18,538
Mar 98	20.05	19.92	19.92	+0.04	10,331
Apr 98	20.05	19.92	19.92	+0.03	9,179

Est. sales N.A. Mon's sales 128,320
Mon's open int 400,154, off 4,029

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu	High	Low	Latest	Chge	Opint
Oct 97	3.080	2.980	3.045	+0.052	43,212
Nov 97	3.140	3.060	3.090	+0.028	44,735
Dec 97	3.210	3.135	3.180	+0.037	27,370
Jan 98	3.180	3.100	3.150	+0.036	25,837
Feb 98	2.825	2.765	2.780	+0.002	17,069
Mar 98	2.510	2.465	2.480	+0.010	11,528

Est. sales N.A. Mon's sales 72,973
Mon's open int 247,293, up 1,849

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal	High	Low	Latest	Chge	Opint
Oct 97	59.05	57.90	58.36	-0.22	22,284
Nov 97	57.45	56.60	56.78	-0.07	32,231
Dec 97	56.84	56.30	56.40	unch.	14,753
Jan 98	56.70	56.45	56.45	unch.	13,591
Feb 98	56.85	56.85	56.85	unch.	4,241
Mar 98	57.60	57.00	57.60	+0.05	5,795
Apr 98	60.65	60.45	60.45	+0.05	4,024
May 98			60.35	+0.05	2,181

Est. sales N.A. Mon's sales 37,564
Mon's open int 103,382, up 15

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons	High	Low	Latest	Chge	Opint
Oct 97	171.25	169.75	170.50	+0.75	25,188
Nov 97	172.50	171.50	171.75	+0.75	15,968
Dec 97	173.75	173.25	173.25	+0.75	17,275
Jan 98	175.25	174.50	174.75	+0.75	12,849
Feb 98	175.25	174.75	175.00	+0.75	7,346
Mar 98	N.T.	N.T.	173.75	+1.00	4,813
Apr98	N.T.	N.T.	172.25	+1.00	2,321

Est. sales: 15,400 . Prev. sales :15,703
Prev. open int.: 94,650 off 325

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels	High	Low	Latest	Chge	Opint
Nov97	18.82	18.63	18.64	+0.01	74,921
Dec97	18.91	18.75	18.75	+0.03	26,908
Jan98	18.94	18.79	18.79	+0.03	22,389
Feb98	18.90	18.80	18.78	+0.03	7,968
Mar 98	18.86	18.76	18.73	+0.03	3,999
Apr 98	N.T.	N.T.	18.68	+0.02	2,323

Est. sales: 40,408 . Prev. sales : 33,607
Prev. open int.: 148,679 up 4,249

Stock Indexes

SP COMP INDEX (CMER) 500 x index	High	Low	Latest	Chge	Opint
Dec 97	967.45	956.80	962.70	-3.50	187,645
Mar 98	976.00	968.50	973.00	-3.65	2,898
Jun 98			987.20	unch.	710

Est. sales N.A. Mon's sales 52,203
Mon's open int 227,138, off 1,689

FTSE 100 (LIFFE) £25 per index point	High	Low	Latest	Chge	Opint
Dec 97	5187.0	5175.0	5118.0	—47.0	64,030
Mar 98	N.T	N.T	5162.0	—47.0	1,805

Est. sales: 7,398. Prev. sales: 8,513
Prev. open int.: 65,835 up 741

CAC 40 (MATIF) FF200 per index point	High	Low	Latest	Chge	Opint
Sep 97	3022.0	2985.0	3006.0	— 24.0	38,249
Oct 97	3030.0	2992.0	3013.0	— 23.5	11,501
Nov 97	3034.5	3017.0	3020.5	— 23.5	4,286
Dec 97	3046.0	3013.0	3028.5	— 24.5	7,137

Est. sales: 24,451.
Open int.: 83,314 up 2,959.

Commodity Indexes

	Close	Previous
Moody's	1,542.30	1,551.30
Reuters	1,931.30	1,917.90
D.J. Futures	146.69	146.69
CRB	241.46	240.91

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

EUROPE

Fiat Plans Deal With Russia's Gaz

Bloomberg News

TURIN — Fiat SpA said it was in talks to form a joint venture with Russia's AO Gaz that would make Russia the 10th emerging market in which Fiat would produce its Palio series of cars.

An accord with Gaz, the Gorky Auto Plant, would mark Fiat's return to Russia after 31 years.

Ivan Sklarov, governor of Nizhni Novgorod, the region where Gaz is based, said the 1.5 trillion lire ($858.5 million) venture would be partly financed with $240 million from the European Bank for Reconstruction and Development.

Fiat said a contract would be signed in the next few weeks.

The joint venture is part of the automaker's plan to begin producing Palio model cars by 2000 in the world's largest developing economies.

The Palio series, which includes hatchbacks, minivans, pickups, station wagons and sedans, is produced in several countries, including Brazil, Venezuela, Poland and Argentina.

Fiat is also completing plans to make them with local partners in South Africa, Turkey, China and India.

The move will also give a boost to Russian auto production capacity. Last year, 868,000 cars were produced in Russia, which is less than Fiat's production in Italy.

EU Leaves Small Producers Reeling

Lard Makers of Colonnata Feel Heat of Sweeping Health Regulations

Bloomberg News

COLONNATA, Italy — Venanzio Vannucci lifts a wooden slat covering a marble cask in the cellar of his 200-year-old home.

Inside the cask, under an inch of brine turned black with spice, are stacked nine layers of lard collected from the spines of Emilian hogs, raised in the Emilia-Romagna region of northern Italy known for Parma ham and other pig products.

"Here you have the world's finest lard, and because of European bureaucracy, you'll never legally taste it in Paris, New York or even Milan," said Mr. Vannucci, one of a handful of people making *lardo di Colonnata*, a fatty delicacy famous throughout Italy, where it is served on toast with a slice of tomato.

Mr. Vannucci's lamentation echoes those of many other homegrown producers of traditional, regional foods across Europe.

Under European Union health laws, small makers of specialty meats and cheeses like Mr. Vannucci can only sell their products directly to consumers — no supermarkets, delicatessens or restaurants — unless they install bathrooms and refrigerators and make other costly improvements to their simple production facilities.

Enforcement of those hygiene laws has become particularly rigorous since the "mad cow" scare of 1996, in which some British beef was found to be infected with a brain-wasting disease called bovine spongiform encephalopathy. The disease has been linked to a similar illness in humans who eat the tainted flesh. Most British beef was withdrawn from the market and thousands of cows were destroyed.

The European Commission, the EU's executive arm, was rebuked for not responding swiftly to the food scare, and so it tightened hygiene regulations and set up a new unit to monitor food safety.

"Even if it causes a problem for producers, our first consideration is for people's health," said Johan Reyners, an agriculture spokesman for the commission.

Mr. Vannucci's lard is not the only dish in danger. A sheep's milk cheese, for instance, made in dark caves that are sealed for months by stones, is now available only in the Piedmontese pastures near the northern Italian town of Montemagno where it is made.

European Union laws regulating traditional food producers have been on the books in Italy for years. Yet only with the approach of economic and monetary union have the Italian authorities started to enforce many of them.

In Colonnata's case, inspectors from the Health Ministry's office in Carrara wound their way up the steep incline past deep marble quarries to seize 200 kilos (441 pounds) of Mr. Vannucci's lard in 1995. Fausto Guadagni, another of the town's lard markers, with his own restaurant, had 18 kilos of his fatty victuals seized by the health officials.

At issue is the way the lard is produced in Colonnata, a process, its makers say, that has not changed in more than a century. The EU law, they add, implies that the traditional ways of their lard-making ancestors are unsanitary.

"If you ask me, it's kind of disgusting to have to put a bathroom in the place where we make the lard, but it's what they wanted, so here it is," he said.

In addition to the shiny new bathroom, which Mr. Vannucci said he has yet to use, the health authorities required him to install a galvanized steel sink, an electric knife cleaner and a refrigerator, even though the lard need not be chilled.

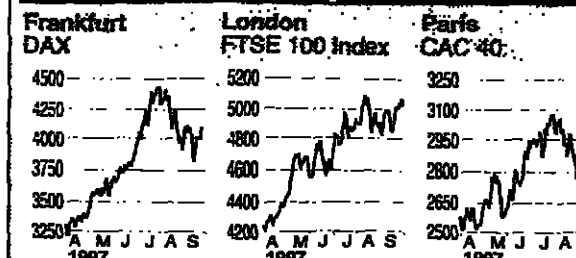
To sell his lard to the local Euromercato supermarket chain or to restaurants, Mr. Vannucci said he will need to invest another 50 million lire ($28,600).

That would require that he open a space with separate exits and entrances from his restaurant, refit his home production site and buy a freezer.

Rather than make the investment, Mr. Vannucci said the rest of the world will have to trek to his town if they want to taste the nation's most delectable fat. Notwithstanding the winding drive to Colonnata and the EU food laws, Mr. Vannucci is confident people will make the journey.

After all, he said, "If we can survive health crazes, we can certainly beat bureaucracy."

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	909.14	910.44	-0.14
Brussels	BEL-20	2,405.66	2,414.30	-0.36
Frankfurt	DAX	4,098.20	4,088.92	+0.23
Copenhagen	Stock Market	618.80	617.82	+0.16
Helsinki	HEX General	3,566.16	3,554.09	+0.34
Oslo	OBX	698.27	702.07	-0.54
London	FTSE 100	5,027.50	5,075.70	-0.95
Madrid	Stock Exchange	621.48	622.41	-0.15
Milan	MIBTEL	15768	15842	-0.47
Paris	CAC 40	2,997.23	3,017.45	-0.67
Stockholm	SX 16	3,499.47	3,484.13	+0.27
Vienna	ATX	1,416.24	1,408.39	+0.56
Zurich	SPI	3,655.24	3,645.96	+0.25

Source: Telekurs — International Herald Tribune

Very briefly:

• **Bertelsmann AG**, the German media conglomerate, said favorable exchange rates helped net profit rise 13 percent, to 1.02 billion Deutsche marks ($569.5 million) in the year ended June 30; sales rose 4 percent, to 22.437 billion DM.

• **Deutsche Lufthansa AG** will set aside 1.4 million shares for its employees as part of plans by the government to fully privatize the airline. The shares represent about 1 percent of the 5 billion DM sale of Bonn's remaining 35.7 percent stake. Employees will get a 10 percent discount.

• **Usinor SA**, Europe's second-largest steelmaker, said first-half profit fell 4 percent, to 801 million French francs ($133 million) as imports from Eastern Europe and a supply glut caused a 6 percent decline in prices. Sales in the half rose 3 percent, to 38.5 billion francs. The company said it expected results to improve in the second half.

• **KLM Royal Dutch Airlines** confirmed it would sign a new cooperation pact with the U.S. carrier **Northwest Airlines** on Sept. 29. Separately, the European Commission cleared KLM's takeover of **Air UK Holdings Ltd.**

• **Britain** revised its final estimate of second-quarter economic growth to an annual rate of 3.5 percent from its previous estimate of 3.4 percent growth.

• **IPB AS**, an investment vehicle controlled by Nomura Capital, said it would offer to buy the shares it does not already own in the Czech brewers **Plzensky Prazdroj** and **Pivovar Radegast**, which control 40 percent of the Czech beer market; the announcement comes after **Bass PLC** said it would offer to buy out IPB.

• **Saudi Aramco** canceled plans to buy a stake in **Petroleos de Portugal SA** to concentrate on opportunities in East Asia and South Asia. Saudi Arabia's state-owned oil company had signed an accord in June to buy 10 percent of the company from the Portuguese government and 17.5 percent from a holding company of private shareholders.

• **Muenchener Rueckversicherungs AG** plans to buy a 20 percent stake in **Reale Riassicurazioni SpA**, Italy's second largest reinsurer, this year. The German firm, known as Munich Re, said it may eventually take majority control of the company.

Bloomberg, Reuters

Russia Budget Lifesaver: Privatization Funds

By Alan Friedman
International Herald Tribune

HONG KONG — Beset by a serious shortfall in tax revenue, Russia hopes to raise an extra $2 billion from privatization offers by the end of the year, Deputy Prime Minister Anatoli Chubais said here Tuesday.

Mr. Chubais said the sales should bring total 1997 proceeds from privatizations to about $4 billion. But he said plugging the gap in tax collection with such sales "is not a long-term solution and we cannot completely compensate with privatization proceeds for the shortfall."

Thus, he said, the government of President Boris Yeltsin would make a renewed effort to press the Duma, the lower house of Parliament, to approve sweeping tax reforms.

Mr. Chubais called the official 1997 budget for Russia "absolutely unrealistic," saying that the government was therefore operating on the basis of what it considered "a real budget."

Tax collection receipts, which were expected to average $3.4 billion a month this year, have run at just $2.8 billion a month, he said.

Mr. Chubais also said that Russia's small group of new banking and media tycoons, some of whom have attacked him over awarding the sale this summer of 25 percent of Svyazinvest, the Russian telecommunications giant, to the top bidder, would have to learn to play "by the rules of the game."

He said the tender had marked "a new stage of transparency and new rules of the game."

"Not everybody was happy about the auction, and those who lost made a protest against the rules of the auction," Mr. Chubais said. "They blamed me because they did not win. But I said, and I say, that I will protect the winner and that the only winner is the one who pays the highest amount."

Mr. Chubais said Russia's inflation rate in 1997 would be between 12 percent and 13 percent, compared with 22 percent last year. Inflation will be between 5 percent and 7 percent next year, he predicted.

Mr. Chubais also said that gross domestic product would be unchanged for 1997, ending 10 years of decline, and would grow in 1998. "In the last 10 years our GDP has fallen by more than 50 percent," he said.

The deputy prime minister said much work remained to be done to strengthen the banking system.

"The banks need to restructure themselves," he said. "They need more trained personnel."

Commenting on the protection of private property from criminal activity, Mr. Chubais said, "We are deeply unsatisfied. We plan to increase our 1998 spending on law enforcement by 60 percent."

Calls for European Labor Reform

International Herald Tribune

HONG KONG — Three leading international financial officials on Tuesday urged European governments to make the reform of rigid labor markets a top priority alongside the race toward monetary union.

Michel Camdessus, managing director of the International Monetary Fund, called upon Europe to address the problem of its "malfunctioning labor markets," and said they were standing in the way of achieving "high-quality growth."

As Europe continues its "momentous journey toward EMU," Mr. Camdessus told the opening session of the annual World Bank and IMF meetings here, it should "give at least as much attention to the urgent tasks of reforming social security systems and labor and product markets" as to the fiscal targets for monetary union.

Lawrence Summers, the U.S. deputy Treasury secretary, meanwhile, said, "It is vital that the focus on preparing for EMU does not distract them from the structural reforms needed to add dynamism to their economies." His remarks were unusual in that U.S. officials are generally reluctant to comment on the view in Washington that European governments are not doing enough to battle unemployment by making their labor markets more flexible.

Hans Tietmeyer, the Bundesbank president, said he thought the launch of the euro could improve Europe's "competitive growth and employment chances" as long as the new currency were stable. But he warned that Europe had not done enough to fight unemployment, which he said had increased because of structural rigidities. European monetary union, he said, "is neither a substitute for urgently needed domestic flexibility and reforms, nor does it automatically solve the growth and labor-market problems" Europe faces.

LVMH's Net Increases 10%

Compiled by Our Staff From Dispatches

PARIS — LVMH Moet Hennessy Louis Vuitton SA said Tuesday that first-half net profit rose 10 percent, but said the yen's weakness slashed profit at DFS Group Ltd., its newly acquired duty-free retailer.

Strong leather-goods sales lifted profit to 1.7 billion francs ($282.2 million) from 1.54 billion francs in the year-earlier half. Income from operations jumped 26 percent to 3.36 billion francs.

Profit was flat at LVMH's wines and spirits divisions, which the company wants to merge with those of Guinness PLC and Grand Metropolitan PLC. Guinness said its first-half profit rose 4 percent, to £255 million ($408.7 million), on increased sales of spirits even though the pound's increased strength had cut earnings. *(Reuters, Bloomberg)*

WORLD STOCK MARKETS

Tuesday, Sept. 23
Prices in local currencies.
Telekurs

Amsterdam — AEX index: 909.14, Previous: 910.44

	High	Low	Close	Prev.
ABN-AMRO	42	40.60	40.80	41.40
Aegon	158.90	156.70	156.70	156.50
Ahold	56.20	54.60	55	55.40
Akzo Nobel	334	330.50	332.40	331
Baan Co.	139.50	134	138	132.40
Bols Wess cva	35.90	35.10	35.80	35.60
CSM cva	94.30	94.20	93.50	93.80
Dordtsche Pet	111.40	109.60	109.70	111.90
DSM	189.90	188.50	189.50	189
Elsevier	32.40	32	32.40	31.80
Fortis Amev	83.50	82.40	82.80	83.10
Getronics	65.40	61.90	62.20	65.10
G-Broc cva	56.80	56	56.10	56.40
Hagemeyer	103.20	102.50	102.70	102.20
Heineken	348.30	346.50	347.60	348
Hoogovens cva	128.30	127	127.70	127.30
Hunt Douglas	88.20	87.50	87.50	88
ING Group	92.60	91.50	91.60	92.20
KLM	71.40	69.50	69.70	71.30
KNP BT	50.70	49.90	50.40	50.90
KPN	76.70	75.90	76	76.60
Nedlloyd Gp	66.80	65.50	65.70	65
Nutricia	62.70	60.10	60.20	62.30
Oce Grinten	254.20	249.50	251	253.20
Philips Elec	159.70	154.60	157.50	153.30
Polygram	113.90	112.30	113.90	113.50
Randstad Hdg	82.50	81.20	82.50	82
Robeco	196	195	195.60	192.70
Rodamco	62.10	61.20	61.50	61.70
Rolinco	195.20	194.60	194.60	192
Rorento	118.40	117.70	117.70	117.60
Royal Dutch	110	108.50	108.50	110.80
Unilever cva	433	426	427	424.50
Vendex Intl	119.30	116.20	117.90	116.80
VNU	44.20	43.80	43.80	44
Wolters Kl cva	248	242.70	244.10	241.50

Bangkok — SET index: 536.83, Previous: 523.80

	High	Low	Close	Prev.
Adv Info Svc	230	220	228	220
Bangkok Bk F	162	160	160	160
Krung Thai Bk	26	25	25.50	25
PTT Explor	396	360	394	360
Siam Cement F	598	598	598	600
Siam Com Bk F	111	106	109	106
Telecomasia	30.50	29.25	29.75	29.75
Thai Airways	52	48	50	48
Thai Farm Bk F	101	97.50	99.50	95
Utd Comm	103	99.50	102	103

Bombay — Sensex 30 index: 3822.42, Previous: 3770.99

	High	Low	Close	Prev.
Bajaj Auto	525	513	524.75	525.50
Hindust Lever	1319	1277.50	1317.75	1282.75
Hindust Petim	466.50	460	465.50	461.75
Ind Dev Bk	104	101	103.75	100.75
ITC	557.25	541.50	555	552.25
Mahanagar Tel	257.75	251.25	257.25	255
Reliance Ind	341.75	336.25	341.50	336.50
State Bk India	277	271	277	270.25
Steel Authority	15	14.25	14.50	15
Tata Eng Loco	324.25	313	320.75	321.50

Brussels — BEL-20 index: 2405.66, Previous: 2414.30

	High	Low	Close	Prev.
Almanij	1615	1550	1565	1610
Barco Ind	7380	7270	7290	7250
BBL	9610	9420	9500	9600
CBR	3130	3070	3080	3100
Colruyt	18425	18275	18350	18375
Delhaize Lion	1825	1805	1820	1820
Electrabel	7700	7620	7660	7660
Electrafina	3495	3430	3430	3415
Fortis AG	7370	7260	7300	7300
Gevaert	3125	3070	3080	3150
GBL	5750	5670	5670	5670
Gen Banque	14750	14575	14725	14625
Kredietbank	14725	14575	14600	14750
Petrofina	14350	14175	14175	14200
Powerfin	4935	4920	4930	4920
Royale Belge	9290	9160	9190	9290
Soc Gen Belg	3420	3398	3395	3450
Solvay	2195	2165	2170	2185
Tractebel	14900	14825	14850	14850
UCB	125400	123950	124100	124300

Copenhagen — Stock index: 618.80, Previous: 617.82

	High	Low	Close	Prev.
BG Bank	377	372	374.27	374.21
Carlsberg B	374	367	372	367.52
Codan Fors	916	915	915	916.14
Danisco	372	361	363	369
Den Danske Bk	692	678	678	687
D/S Svendborg B	420000	409500	420000	415000
D/S 1912 B	292000	287000	292000	287000
FLS Ind B	201	198	199	198.20
Kob Lufthavne	795	785	785	790
Nes Nordisk B	702.70	685	685	700
Sophus Ber B	1081.08	1049	1070	1070
Tele Danmk B	354	349	349	353.88
Tryg Baltica	391	386	390	388
Unidanmark A	420	415	415	417

Frankfurt — DAX: 4098.20, Previous: 4088.92

	High	Low	Close	Prev.
AMB B	1580	1580	1580	1580
Adidas	238	232.50	232.50	238.25
Allianz Hdg	429	421	421	428.70
Altana	138.70	134	136.40	139
Bk Berlin	44.90	44.60	44.85	44.60
BASF	64.25	63.20	63.20	62.45
Bayer Hypo Bk	73.85	72.90	73.20	72.40
Bay.Vereinsbank	96.50	95.80	96.20	94.80
Bayer	71.78	70.80	71	69.25
Beiersdorf	79	77	78.50	76.80
Bewag	39.50	38.80	39.10	38.70
BMW	1396	1382	1390	1362
CKAG Colonia	162.50	161	161.50	161
Commerzbank	64.05	63.30	63.30	63.20
Daimler Benz	140.90	139.70	139.70	139.50
Degussa	99.55	97.30	97.30	100.70
Deutsche Bank	116.50	115.40	116.15	115.75
Deut Telekom	33.80	33.32	33.35	33.85
Dresdner Bank	82.60	81.30	81.50	81.50
Fresenius	315	314	314.50	313
Fresenius Med	132	129.20	129.20	129.50
Fried. Krupp	380	369	375	365.20
Gehe	103	101	102	103.60
Heidelbg Zmt	141	140.50	141	140
Henkel pfd	106.50	105.20	105.20	105.50
HEW	485	485	485	480
Hochtief	83.80	83.55	83.60	84
Hoechst	77	76.60	76.60	74.25
Karstadt	659	641	641	659
Lahmeyer	99	98.50	99	98.90
Linde	1280	1235	1236	1277
Lufthansa R	35.70	34.60	34.80	35.50
MAN	567	557	557	554
Mannesmann	887	872	872	869.50
Metallgesellschaft	39.25	38.85	38.85	39.25
Metro	80.70	80	80.50	80.55
Munch Rueck R	597	580	580	594
Preussag	517	508	508	513
RWE	84.95	84.10	84.95	83.80
SAP pfd	442.60	439.20	442	440.50
Schering	185.50	183	183	179.10
SGL Carbon	250	246	247.50	250
Siemens	122.85	121.30	121.40	121.80
Springer (Axel)	1535	1525	1535	1500
Suedzucker	884	880	883	880
Thyssen	411	409.50	409.50	409.10
Veba	102	100.30	100.70	100.25
VEW	572	572	572	572
Viag	768	759	761.50	756
Volkswagen	1216	1201.50	1211	1178

Helsinki — HEX General index: 3566.16, Previous: 3554.09

	High	Low	Close	Prev.
Enso A	51	50.50	51	51.50
Huhtamaki I	215	206	214	205
Kemira	50.60	49.10	49.80	49.50
Kesko	75	72.50	72.50	74
Merita A	23	22.50	22.70	23.20
Metra B	153	148	152	157
Metso-Serla B	49	48.50	48.70	48.70
Neste	139.50	139	139	140
Nokia A	474	464	467.10	465
Orion-Yhtymae	187	183	183	183
Outokumpu A	95.50	93	95	93
UPM Kymmene	142.10	139.50	140.60	141
Valmet	88	87	87.50	87.50

Hong Kong — Hang Seng: 14094.30, Previous: 14108.08

	High	Low	Close	Prev.
Amoy Props	8.20	7.90	8.10	7.95
Bk East Asia	27.25	26.65	27.25	27.05
Cathay Pacific	12.20	11.80	11.85	12.40
Cheung Kong	83.75	81.50	83	83
CK Infrastruct	22.40	21.95	22.35	22
China Light	41.40	39.70	40.70	40.60
Citic Pacific	43.10	41.80	42.30	43
Dao Heng Bk	35.10	34.70	34.90	34.90
First Pacific	7.90	7.50	7.80	7.55
Hang Lung Dev	14.70	14.35	14.50	14.35
Hang Seng Bk	88.50	86.50	88	88
Henderson Inv	8.70	8.30	8.45	8.75
Henderson Ld	65.50	63.50	64.25	65
HK China Gas	15.15	14.70	15.05	14.75
HK Electric	28.05	27.60	27.85	28
HK Telecomm	16.75	16.25	16.50	16.45
Hopewell Hdgs	4.55	4.38	4.38	4.55
HSBC Hdgs	232	227	231	229
Hutchison Wh	69.25	67.25	68.75	68.75
Hysan Dev	23.30	22	23.20	22.05
Johnson El Hdg	20.65	20.20	20.65	20.40
Kerry Props	18.30	18.15	18.15	18
New World Dev	44.40	43.20	43.60	44.10
Oriental Press	2.55	2.48	2.52	2.55
Pearl Oriental	1.17	1.10	1.11	1.15
SHK Props	89.25	87	88.25	89.25
Shun Tak Hdgs	4.90	4.80	4.83	4.85
Sino Land Co.	7.20	6.90	7	7.05
Sth China Post	7	6.65	7	6.65
Swire Pac A	60.75	59	59	60.25
Wharf Hdgs	27.40	26.60	27.35	27.20
Wheelock	15.85	15.30	15.60	15.70

Jakarta — Composite index: 539.48, Previous: 535.60

	High	Low	Close	Prev.
Astra Intl	3200	3100	3125	3200
Bk Intl Indon	950	925	925	925
Bk Negara	950	925	950	975
Gudang Garm	9000	8775	8900	8800
Indocement	2450	2350	2400	2350
Indofood	3850	3850	3850	3800
Indosat	8075	7925	8050	7900
Sampoerna HM	6950	6600	6625	6825
Semen Gresik	3075	3025	3050	3025
Telekomunikasi	3525	3425	3500	3400

Johannesburg — All Market: 7057.76, Previous: 7155.42

	High	Low	Close	Prev.
Amalgamtd Bks	31.30	29.70	30.20	30.95
AngloAm Coal	279	277.50	277.50	279
AngloAm-Corp	240	230	232	240
AngloAm Gold	238.50	234.50	237.50	238.50
AngloAm Ind	183	177.50	182	182
AngloAM Plat	80.25	79	80.25	80.25
AVMIN	11.45	11.20	11.20	11.55
Barlow	55	52.75	53.50	54.50
C.G. Smith	22.20	21.50	22.10	22.60
De Beers	140.50	137.75	138.50	140
Driefontein	29.75	29.25	29.50	29.90
Fst Natl Bk	37.75	35.25	36	37.75
Gencor	10.15	9.90	10.15	10.10
GFSA	95	92.50	92.50	95
Imperial Hdgs	62.75	62	62.25	62.75
Ingwe Coal	22.35	21.90	21.90	22.35
Iscor	3.10	3.02	3.05	3.05
Johnnies Indl	60.50	59	60.50	60.25
Liberty Hdgs	361	361	361	368
Liberty Life	139.25	133.50	136.25	138.75
LibLife Strat	16.10	15.55	16.10	16
Minorco	101	99.50	101	100
Nampak	17.60	16.60	17.10	17.55
Nedcor	103.50	98.75	103	102.75
Rembrandt Gp	41.20	39.75	40.60	41.10
Richemont	64.75	62.50	63.25	64.25
SA Breweries	131.75	128.50	130	131.25
Samancor	34.60	34.50	34.50	34.60
Sasol	64.75	62.75	63.50	64.50
SBIC	205	204	204.75	204.25
Tiger Oats	70	68.50	68.50	69.75

Kuala Lumpur — Composite: 781.38, Previous: 768.50

	High	Low	Close	Prev.
AMMB Hdgs	8.75	8.50	8.65	8.60
Genting	10.30	9.85	10.20	9.85
Mal Banking	16.20	15.60	15.90	15.60
Mal Intl Ship F	5.65	5.15	5.60	5.25
Petronas Gas	9.45	8.95	9.25	9
Proton	8.25	8.05	8.25	8.30
Public Bk	2.80	2.69	2.78	2.67
Renong	3.22	3.14	3.22	3.20
Resorts World	7.15	6.75	7.15	6.80
Rothmans PM	27.25	26.50	27	26.50
Sime Darby	6.20	5.85	6.10	6.05
Telekom Mal	9.15	8.85	9.05	9
Tenaga	7.65	7.15	7.60	7.35
Utd Engineers	11.20	10.40	10.80	10.90
YTL	3.96	3.78	3.88	3.96

London — FT-SE 100: 5027.50, Previous: 5075.70

	High	Low	Close	Prev.
Abbey Natl	9	8.75	8.82	8.95
Allied Domecq	4.85	4.73	4.76	4.76
Anglian Water	8.12	8	8.04	8.15
Argos	7.07	6.92	6.97	6.86
Asda Group	1.63	1.59	1.63	1.60
Assoc Br Foods	5.66	5.51	5.52	5.64
BAA	5.83	5.55	5.58	5.72
Barclays	15.55	15.15	15.24	15.44
Bass	8.74	8.52	8.54	8.64
BAT Ind	5.34	5.22	5.25	5.31
Bank Scotland	4.63	4.56	4.61	4.56
Blue Circle	3.94	3.80	3.83	3.93
BOC Group	11.41	11.16	11.20	11.36
Boots	8.49	8.36	8.40	8.50
BPB Ind	3.50	3.45	3.47	3.49
Brit Aerosp	16.93	16.43	16.51	16.78
Brit Airways	6.62	6.43	6.49	6.42
BG	2.64	2.52	2.61	2.63
Brit Land	6.20	6.07	6.15	6.05
Brit Petm	9.20	8.93	8.96	9.16
BSkyB	4.84	4.78	4.82	4.86
Brit Steel	1.91	1.86	1.87	1.90
Brit Telecom	4.15	4.10	4.13	4.12
BTR	2.45	2.37	2.38	2.42
Burmah Castrol	10.73	10.50	10.54	10.78
Burton Gp	1.28	1.27	1.28	1.27
Cable Wireless	5.37	5.21	5.23	5.36
Cadbury Schw	5.65	5.60	5.64	5.65
Carlton Comm	5.13	4.95	4.97	5.12
Coml Union	7.74	7.62	7.65	7.69
Compass Gp	6.50	6.45	6.47	6.47
Courtaulds	3.43	3.33	3.36	3.39
Diaons	6.26	6.07	6.17	6.25
Electrocomponents	4.67	4.57	4.58	4.66
EMI Group	5.88	5.70	5.79	5.86
Energy Group	6.46	6.41	6.44	6.43
Enterprise Oil	6.60	6.53	6.55	6.58
Fora Colonial	1.77	1.75	1.76	1.76
Genl Accident	9.90	9.78	9.82	9.78
GEC	3.95	3.89	3.91	3.93
GKN	13.28	13.11	13.21	13.12
Glaxo Wellcome	15.37	13.53	13.56	13.61
Granada Gp	8.49	8.42	8.47	8.44
Grand Met	6.02	5.87	5.90	5.95
GRE	2.92	2.88	2.90	2.86
Greenalls Gp	4.55	4.48	4.50	4.48
Guinness	5.95	5.75	5.75	5.85
GUS	6.81	6.67	6.71	6.74
Hays	6.66	6.58	6.63	6.59
HSBC Hldgs	18.90	18.47	18.49	18.75
ICI	9.94	9.81	9.84	9.92
Impl Tobacco	3.68	3.64	3.66	3.65
Kingfisher	8.06	7.90	7.94	8.02
Ladbroke	2.70	2.61	2.64	2.62
Land Sec	9.55	9.42	9.51	9.40
Lasmo	2.70	2.64	2.67	2.63
Legal Genl Grp	4.60	4.54	4.56	4.57
Lloyds TSB Gp	7.79	7.61	7.64	7.69
Lucas Varity	2.26	2.22	2.24	2.25
Marks Spencer	6.10	6	6.01	6.08
MEPC	5.10	4.96	4.98	4.91
Mercury Asset	12.69	12.52	12.59	12.57
National Grid	2.88	2.84	2.87	2.87
Natl Power	5.50	5.43	5.44	5.49
NatWest	8.76	8.50	8.60	8.71
Next	7.52	7.42	7.50	7.51
Norwich Union	3.41	3.35	3.38	3.40
Orange	2.24	2.18	2.21	2.23
P&O	6.94	6.77	6.79	6.89
Pearson	7.72	7.64	7.70	7.64
Pilkington	1.56	1.51	1.56	1.52
PowerGen	7.81	7.69	7.69	7.79
Premier Farnell	5.33	5.24	5.27	5.25
Prudential	6.35	6.26	6.28	6.32
Railtrack Gp	8.72	8.56	8.67	8.53
Rank Group	3.55	3.42	3.45	3.55
Reckitt Colm	9.79	9.63	9.68	9.75
Redland	2.86	2.79	2.81	2.83
Reed Intl	5.83	5.74	5.81	5.78
Rentokil Initial	2.56	2.51	2.55	2.54
Reuters Hdgs	6.95	6.68	6.85	6.91
Rexam	3.34	3.23	3.33	3.26
RTZ reg	10.08	9.80	9.87	9.98
RMC Group	10.20	9.98	10.03	10.18
Rolls Royce	2.38	2.34	2.36	2.35
Royal Bk Scot	6.44	6.36	6.39	6.42
Royal & Sun All	5.44	5.35	5.37	5.42
Safeway	3.97	3.83	3.85	3.96
Sainsbury	4.67	4.55	4.59	4.64
Schroders	18.10	17.96	18.08	18
Scot Newcastle	7.54	7.25	7.28	7.43
Scot Power	4.59	4.49	4.50	4.56
Securicor	2.70	2.62	2.65	2.70
Severn Trent	8.68	8.50	8.57	8.64
Shell Transp R	4.57	4.43	4.45	4.57
Siebe	11.79	11.53	11.59	11.60
Smith Nephew	1.87	1.86	1.86	1.87
SmithKline	5.80	5.55	5.59	5.56
Smiths Ind	9	8.87	8.85	8.94
Sthern Elec	4.57	4.50	4.53	4.55
Stagecoach	6.70	6.67	6.67	6.69
Stand Charter	8.54	8.40	8.48	8.45
Tate & Lyle	4.33	4.25	4.28	4.28
Tesco	4.78	4.70	4.71	4.76
Thames Water	8.30	8.18	8.22	8.23
3i Group	5.15	5.10	5.14	5.10
TI Group	6.20	6.05	6.08	6.12
Tomkins	3.31	3.27	3.29	3.29
Unilever	17.95	17.70	17.72	17.88
Utd Assurance	4.89	4.82	4.84	4.82
Utd News	7.78	7.53	7.60	7.62
Utd Utilities	7.25	7.08	7.15	7.17
Vendome Lx uts	4.74	4.68	4.71	4.68
Vodafone	3.39	3.33	3.35	3.34
Whitbread	7.97	7.82	7.85	7.93
Williams Hdgs	3.70	3.60	3.63	3.64
Wolseley	5.05	4.94	4.96	5.03
WPP Group	2.89	2.85	2.85	2.88
Zeneca	20	19.60	19.65	19.75

Madrid — Bolsa index: 621.48, Previous: 622.41

	High	Low	Close	Prev.
Acerinox	28350	27500	27500	27950
ACESA	2005	1970	1975	2005
Aguas Barcelon	6040	5910	5920	5990
Argentaria	8540	8420	8440	8440
BBV	4410	4370	4400	4405
Banesto	1610	1540	1555	1540
Bankinter	8500	8250	8250	8430
Bco Centro Hisp	6170	6100	6150	6200
Bco Popular	9650	9340	9600	9580
Bco Santander	4715	4620	4675	4700
CEPSA	4765	4690	4760	4750
Continente	2995	2890	2980	2890
Corp Mapfre	8600	8480	8540	8600
Endesa	3130	3070	3090	3115
FECSA	1315	1270	1285	1310
Gas Natural	7950	7780	7800	7940
Iberdrola	1810	1780	1780	1815
Pryca	2805	2710	2750	2725
Repsol	6430	6340	6390	6420
Sevillana Elec	1425	1400	1400	1430
Tabacalera	10230	9900	10200	10130
Telefonica	4610	4495	4580	4490
Union Fenosa	1290	1270	1280	1290
Valenc Cement	2925	2900	2920	2885

Manila — PSE index: 2849.67, Previous: 2896.23

	High	Low	Close	Prev.
Ayala B	13.25	12.75	13	13.50
Ayala Land	16.50	16	16.50	16.50
Bk Philip Isl	102	97.50	102	103
C&P Homes	3.70	3.45	3.70	3.65
Manila Elec A	75.50	74	74	76.50
Metro Bank	345	330	335	357.50
Petron	4.80	4.45	4.50	4.80
PCI Bank	145	139	144	146
Phil Long Dist	955	920	935	955
San Miguel B	55.50	53.50	54.50	55
SM Prime Hdg	6.10	5.90	6.10	6.10

Mexico — Bolsa index: 5250.16, Previous: 5278.73

	High	Low	Close	Prev.
Alfa A	72.60	70.00	70.30	71.00
Banacci B	25.30	24.20	24.20	24.70
Cemex CPO	41.85	40.90	40.90	41.50
Cifra C	16.24	15.92	16.16	15.88
Emp Modema	43.10	42.60	42.60	42.80
Gpo Carso A1	65.80	64.50	65.00	65.00
Gpo F Bcomer	3.75	3.59	3.60	3.70
Gpo Fin Inbursa	35.70	34.80	35.00	34.60
Kimb Clark Mex	37.35	36.90	37.00	37.20
Televisa CPO	149.30	148.00	148.00	148.80
TelMex L	20.00	19.74	19.78	19.80

Milan — MIB Telematico: 15768.00, Previous: 15842.00

	High	Low	Close	Prev.
Alleanza Assic	17100	16720	16940	16945
Bca Comm Ital	5095	4935	4980	4975
Bca Fideuram	7800	7375	7530	7295
Bca di Roma	1710	1672	1675	1674
Benetton	29600	28550	29250	28950
Credito Italiano	4380	4210	4230	4285
Edison	9545	9150	9435	9055
ENI	11070	10690	10850	10900
Fiat	6400	6160	6160	6300
Generali Assic	40750	39700	39950	40400
IMI	19800	18600	19190	18595
INA	2800	2725	2760	2765
Italgas	6045	5885	5885	6060
Mediaset	9270	8900	9020	9295
Mediobanca	14300	13800	13990	14150
Montedison	1324	1285	1309	1320
Olivetti	940	917	921	934
Parmalat	2920	2850	2870	2865
Pirelli	5190	5040	5070	5180
RAS	15780	15300	15325	15550
Rolo Banca	25350	24500	24600	24600
S Paolo Torino	13250	12860	13100	12720
Telecom Italia	12090	11700	11750	11800
TIM	7380	6925	6925	7100

Montreal — Industrials index: 3676.86, Previous: 3708.81

	High	Low	Close	Prev.
Bce Mob Com	50.40	49.90	49.90	50½
Cdn Tire A	29.65	29½	29.60	29.30
Cdn Util A	38¼	38	38.15	38.05
CT Finl Svc	44½	44¼	44½	44.30
Gaz Metro	18.40	18¼	18.40	18.30
Gt-West Lifeco	32.60	32½	32.55	32.60
Imasco	41.30	40.60	41.20	40.55
Investors Grp	43	41¼	42.85	41
Loblaw Cos	21.30	21.30	21.30	21.10
Natl Bk Canada	19¼	19.10	19¼	19.15
Power Corp	39.20	38.80	39.05	39.10
Power Finl	39.90	38.55	39.60	38¾
Quebecor B	26.05	25¾	25.95	26
Rogers Comm B	8.55	8.40	8.40	8.55
Royal Bk Cda	68.30	67.90	68	67.95

Oslo — OBX index: 698.27, Previous: 702.07

	High	Low	Close	Prev.
Aker A	134	132	133	130.50
Bergesen Dy A	211.50	207	211	208
Christiania Bk	25.20	24.70	25.10	24.70
Den norske Bk	30.20	29.50	29.70	29.80
Elkem	127.50	121.50	121.50	126.50
Hafslund A	44	43	44	44
Kvaerner Asa	416	411	411	416
Norsk Hydro	422	416	416.50	420
Norske Skog A	262	258	259	263
Nycomed A	169	167	167	168
Orkla Asa A	590	585	587	590
Petm GeoSvc	464	457.50	460	464
Saga Petm A	147.50	146	146	147
Schibsted	125	122.50	122.50	124
Transocean Off	N.T.	N.T.	N.T.	690
Storebrand Asa	52	51.50	51.50	52

Paris — CAC-40: 2997.23, Previous: 3017.45

	High	Low	Close	Prev.
Accor	1020	998	1010	1000
AGF	245.90	242.20	245	248.40
Air Liquide	949	929	935	956
Alcatel Alsth	789	774	782	795
Axa-UAP	401.80	397.10	399	401.50
Bancaire	754	737	752	750
BIC	474.50	465.20	474.50	470.90
BNP	296.30	291.60	294	295.60
Canal Plus	1076	1059	1060	1065
Carrefour	3640	3566	3615	3600
Casino	susp.	susp.	susp.	332.10
CCF	329.90	324	326.30	327.20
Cetelem	642	626	631	630
Christian Dior	849	816	825	872
CLF-Dexia Fran	554	540	540	553
Credit Agricole	1320	1305	1305	1301.10
Danone	910	886	895	907
Elf-Aquitaine	814	798	805	809
Eridania BS	913	893	902	902
Eurodisney	8.05	8	8	8
Eurotunnel	6.45	6.30	6.45	6.30
Gen. Eaux	702	690	700	698
Havas	409.70	402.50	406.50	407.50
Imetal	779	743	757	868
Lafarge	454.30	439.10	446.10	452.70
Legrand	1235	1210	1230	1229
L'Oreal	2387	2340	2362	2346
LVMH	1310	1283	1294	1375
Michelin B	330.90	322.10	326.50	331.60
Paribas A	435.80	428.30	432.10	431.10
Pernod Ricard	292.50	284.10	292	301.50
Peugeot Cit	804	783	797	783
Pinault-Print	2735	2687	2714	2676
Promodes	2307	2211	2262	2246
Renault	177.50	173.10	175.50	175.50
Rexel	1620	1585	1618	1634
Rh-Poulenc A	238	233	236.10	238.70
Sanofi	638	631	635	636
Schneider	363	347.50	351	364.80
SEB	862	846	855	860
SGS Thomson	615	581	582	545
Ste Generale	862	839	848	853
Sodexho	2879	2765	2801	2876
St Gobain	917	905	914	914
Suez Lyon Eaux	660	648	657	660
Synthelabo	729	706	715	730
Thomson CSF	176.40	173.50	174.30	175
Total B	703	683	699	700
Usinor	115.10	107	113.90	110.50
Valeo	378	364.10	367.50	376.70

São Paulo — Bovespa index: 11465.30, Previous: 11711.78

	High	Low	Close	Prev.
Bradesco Pfd	10.78	10.40	10.45	10.80
Brahma Pfd	835.00	820.00	820.00	837.99
Cemig Pfd	59.80	58.60	58.60	59.80
CESP Pfd	87.00	85.50	86.06	87.10
Copel	17.88	17.78	17.780	17.70
Eletrobras	578.80	569.00	570.00	584.00
Itaubanco Pfd	610.00	601.00	610.00	605.00
Light Servicios	475.00	471.00	471.00	480.00
Lightpar	385.00	370.00	383.00	373.10
Petrobras Pfd	302.00	297.00	297.010	304.00
Paulista Luz	193.00	189.40	189.40	193.00
Sid Nacional	42.00	42.00	42.00	42.80
Souza Cruz	10.40	10.30	10.30	10.40
Telebras Pfd	138.88	136.70	137.50	139.80
Telemig	165.00	162.01	162.01	165.00
Telerj	145.05	140.00	143.00	146.00
Telesp Pfd	329.00	322.00	323.990	333.00
Unibanco	38.010	38.00	38.010	39.30
Usiminas Pfd	12.30	11.69	12.30	12.00
CVRD Pfd	27.90	27.10	27.12	28.20

Seoul — Composite index: 654.37, Previous: 648.45

	High	Low	Close	Prev.
Dacom	85200	83100	83500	85500
Daewoo Heavy	7050	6900	6970	7050
Hyundai Eng.	18600	18000	18300	18300
Kia Motors	8930	8930	8930	8930
Korea El Pwr	20600	19500	19500	20600
Korea Exch Bk	4950	4880	4900	4880
LG Semicon	36100	35300	35600	36000
Pohang Iron St	56500	54300	54600	56500
Samsung Display	45400	44400	44500	45000
Samsung Elec	68000	66700	66700	67800
Shinhan Bank	8550	8210	8210	8600
SK Telecom	420000	395000	398000	422000

Singapore — Straits Times: 1916.10, Previous: 1908.23

	High	Low	Close	Prev.
Asia Pac Brew	5.30	5.30	5.30	5.25
Cerebos Pac	5.55	5.20	5.20	5.30
City Devts	9.40	9.05	9.05	9.50
Cycle Carriage	9.95	9.85	9.90	9.90
Dairy Farm Intl *	0.93	0.92	0.92	0.95
DBS foreign	15.30	15	15	15.30
DBS Land	3.78	3.60	3.66	3.70
Fraser & Neave	9	8.70	8.80	8.80
HK Land *	3.20	3.12	3.18	3.20
Jard Matheson *	7.65	7.20	7.45	7.75
Jard Strategic *	3.82	3.70	3.80	3.80
Keppel A	5.90	5.75	5.85	5.95
Keppel Bank	3.20	3.14	3.14	3.20
Keppel Fels	4.22	4.12	4.16	4.28
Keppel Land	3.86	3.80	3.82	3.90
OCBC foreign	10.30	10.10	10.30	10.40
OS Union Bk F	6.65	6.50	6.55	6.65
Parkway Hdgs	5.70	5.55	5.70	5.55
Sembawang	7.05	6.75	7	7.10
Sing Air foreign	12.40	11.90	12	12.40
Sing Land	7.05	7	7	7.30
Sing Press F	22.30	21.30	21.60	22.40
Sing Tech Ind	2.54	2.48	2.50	2.53
Sing Telecomm	2.40	2.25	2.38	2.24
Tat Lee Bank	2.82	2.76	2.82	2.80
Utd Industrial	1.07	1.02	1.06	1.03
Utd OSea Bk F	11.20	10.80	11.10	11.10
Wing Tai Hdgs	3.04	3	3.02	3.06

*: in U.S. dollars.

Stockholm — SX 16 index: 3492.47, Previous: 3484.13

	High	Low	Close	Prev.
AGA B	121.50	118.50	118.50	121.50
ABB A	112	110.50	111	112
AssiDoman	250.50	248	249.50	249.50
Astra A	138.50	134.50	138	135.50
Atlas Copco A	250.50	244.50	248	251
Autoliv	342	337	338	342.50
Electrolux B	578	565	567	577
Ericsson B	365	354.50	362.50	355.50
Hennes B	323	317	320	318
Incentive A	730	725	725	727
Investor B	408.50	403	404	406.50
MoDo B	284	278	278	285
Nordbanken	259	253	256.50	257
Pharm/Upjohn	281	263	275.50	282
Sandvik B	257	250	250	255
Scania B	231	229	229	229.50
SCA B	198	193.50	194.50	197
S-E Banken A	92.50	89.50	90	92
Skandia Fors	339	330	332	336.50
Skanska B	328	319.50	319.50	321.50
SKF B	229	222	225	226.50
Sparbanken A	187	183	185	187.50
Stora A	131.50	127	128.50	132
Sv Handels A	259	252	255	253
Volvo B	211.50	210	210	212

Sydney — All Ordinaries: 2776.90, Previous: 2764.90

	High	Low	Close	Prev.
Amcor	8.91	8.72	8.89	8.77
ANZ Bking	11.58	11.26	11.43	11.38
BHP	16.06	15.78	15.89	15.78
Boral	4.15	4.10	4.12	4.13
Brambles Ind.	30.25	29.70	29.74	30.05
CBA	17.50	17.15	17.28	17.28
CC Amatil	15.11	14.80	14.86	15.05
Coles Myer	7.15	6.95	7.12	6.93
Comalco	6.72	6.68	6.71	6.70
CSR	5.88	5.73	5.77	5.90
Fosters Brew	2.99	2.93	2.97	2.90
Goodman Fld	2.30	2.27	2.28	2.28
ICI Australia	12.98	12.70	12.96	12.80
Lend Lease	34.50	33.60	34	33.59
MIM Hdgs	1.66	1.63	1.64	1.67
Nat Aust Bank	22.85	22.25	22.25	22.25
Nat Mutual Hdg	2.45	2.33	2.43	2.33
News Corp	6.85	6.69	6.80	6.61
Pacific Dunlop	3.83	3.77	3.82	3.79
Pioneer Intl	4.79	4.72	4.74	4.74
Pub Broadcast	8.93	8.78	8.90	8.78
Rio Tinto	21.25	20.95	20.98	21.12
St George Bank	9.04	8.80	9	8.80
WMC	6.30	6.14	6.14	6.21
Westpac Bking	9.10	8.97	9.04	8.90
Woodside Pet	12.82	12.60	12.65	12.50
Woolworths	4.50	4.36	4.41	4.50

The Trib Index — Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	175.53	-0.87	–0.49	+17.69
Regional Indexes				
Asia/Pacific	118.05	+0.04	+0.03	–4.36
Europe	191.48	-0.26	–0.14	+18.78
N. America	208.31	-1.64	–0.78	+28.66
S. America	167.66	-4.20	–2.44	+46.52
Industrial Indexes				
Capital goods	224.03	-1.18	–0.52	+31.07
Consumer goods	194.14	-0.61	–0.31	+20.26
Energy	205.77	-1.55	–0.75	+20.54
Finance	129.55	-0.31	–0.24	+11.24
Miscellaneous	183.93	-0.60	–0.33	+13.69
Raw Materials	185.88	-0.06	–0.03	+5.99
Service	164.43	-1.82	–1.09	+19.74
Utilities	169.92	-1.56	–0.91	+18.44

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

Taipei — Stock Market index: 9873.77, Previous: 9228.99

	High	Low	Close	Prev.
Cathay Life Ins	137.50	135	135	137
Chang Hwa Bk	110	107	109.50	110
Chiao Tung Bk	81.50	79.50	79.50	81
China Develpmt	122	119.50	120	122
China Steel	28.40	28	28.18	28.30
First Bank	109	105	108	108
Formosa Plastic	60.50	59	59	60
Hua Nan Bk	121	116.50	120	120.50
Intl Comm Bk	57	55.50	56.50	57
Nan Ya Plastics	72	70	70.50	71.50
Shin Kong Life	91	88	88.50	90.50
Taiwan Semi	146.50	141	141	146
Tatung	46.10	45	45.30	45.90
Utd Micro Elec	94	89.50	90	93
Utd World Chin	63.50	62.50	63	63

Market Closed

The stock market in Tokyo was closed Tuesday for a holiday.

Toronto — TSE Industrials: 7067.61, Previous: 7015.10

	High	Low	Close	Prev.
Abitibi Cons.	24.70	24.45	24.55	24.65
Alberta Energy	33.70	33.40	33.65	33.90
Alcan Alum	48.60	48.30	48.45	48½
Anderson Expl	17.30	17	17.10	16.95
Bk Montreal	59.45	59.10	59.20	59.20
Bk Nova Scotia	65.60	65.15	65.30	65½
Barrick Gold	30.20	29.65	30.15	29.85
BCE	42.40	41.90	42.20	42.40
BC Telecomm	35.80	35.60	35.70	35.60
Biochem Pharm	43.65	43.45	43.45	43.65
Bombardier B	28.10	27.80	27.90	27.85
Cameco	48	46¼	48	46.95
CIBC	40.85	40.20	40¼	40.65
Cdn Natl Rail	72¼	72.10	72¼	72¼
Cdn Nat Res	42.15	41.55	42.15	42.15
Cdn Occid Pet	37.35	37.15	37¼	37¼
Cdn Pacific	42.40	42.15	42.20	42.35
Cominco	33.40	32¼	32.40	33.40
Dofasco	28.40	28.05	28.20	28.35
Domtar	12.45	12.05	12.05	12.40
Donohue A	33	32.80	33	33
Du Pont Cda A	34.45	34	34¼	34.15
EdperBrascan	24	23.45	23.95	23.45
EuroNev Mng	23¼	22½	22.70	23.10
Fairfax Finl	394	388	393	395
Falconbridge	25.70	25.10	25.35	25.65
Fletcher Chall A	23½	23.10	23½	23¼
Franco Nevada	30¼	29¼	30¼	30.10
Gulf Cda Res	12	11¼	11.90	11.95
Imperial Oil	80.60	80.15	80.40	80.30
Inco	34	33¼	33½	34
IPL Energy	53.65	53½	53.65	53.60
Laidlaw B	22.40	22.06	22.06	22.40
Loewen Group	38.35	37.90	38¼	38
Macmill Bldl	20.90	20.65	20.80	20.85
Magna Intl A	98¼	96½	96½	98.15
Methanex	11.65	11.30	11.65	11.35
Moore	29.60	29	29	30.30
Newbridge Net	90.40	88.10	88.55	90.95
Noranda Inc	27.05	26.60	26.85	27
Norcen Energy	35¼	35.35	35.60	35¼
Nthern Telecom	147½	145.30	145¼	147½
Nova	11.40	11¼	11.40	11.35
Onex	36	35¼	36	35½
Pancdn Petlm	26.15	25.90	25.95	26
Petro Cda	25½	25.20	25¼	25.40
Placer Dome	22.35	21.55	22.35	21¼
Poco Petlm	13.60	13¼	13.35	13.60
Potash Sask	105	103½	104.55	104.40
Renaissance	35.40	35.10	35.15	35.20
Rio Algom	30.60	30.05	30.20	30½
Rogers Cantel B	25	24½	24½	25.10
Seagram Co	50.10	49½	49.95	49.40
Shell Cda A	23.30	23.15	23¼	23.15
Suncor	45.70	45.45	45.60	45.45
Talisman Eny	47.05	46¼	47	47.05
Teck B	25½	25¼	25.40	25½
Teleglobe	50½	50	50½	50½
Telus	29¼	29.40	29.60	29.70
Thomson	34	33¼	34	33.45
TorDom Bank	47.45	47.10	47.20	47¼
Transalta	18¼	18.10	18.20	18.20
TransCda Pipe	27.20	26.80	27.15	26.95
Trimark Finl	82	81	81	81.35
Trizec Hahn	35½	34¼	35.35	34.80
TVX Gold	7	6.80	6.90	6.80
Westcoast Eny	28.45	28¼	28.40	28.40
Weston	108.10	107	108.10	108

Vienna — ATX index: 1416.24, Previous: 1408.39

	High	Low	Close	Prev.
Boehler-Uddeh	1029.80	1004.50	1014	1021.10
Creditanst Pfd	638.40	631.30	638	635
EA-Generali	3199.15	3121	3199	3150
EVN	1516	1490.10	1497.80	1495
Flughafen Wien	523.15	505	523.10	504.50
OMV	1860	1825	1843	1839.90
Oest Elektriz	877.50	872.50	876.50	874
VA Stahl	601.50	573.50	594.20	576
VA Tech	2640	2626	2640	2650
Wienerberg Bau	2618.50	2560	2610	2567

Wellington — NZSE-40 index: 2546.45, Previous: 2573.61

	High	Low	Close	Prev.
Air NZeald B	4.18	4.15	4.15	4.20
Brierley Invt	1.34	1.33	1.33	1.34
Carter Holt ord	3.43	3.40	3.40	3.45
Fletch Ch Bldg	4.92	4.83	4.88	4.80
Fletch Ch Eny	7.15	6.92	7.14	6.92
Fletch Ch Forst	2.03	1.98	1.98	2.04
Fletch Ch Paper	3.31	3.17	3.17	3.32
Lion Nathan	3.81	3.78	3.81	3.79
Telecom NZ	8.17	8.12	8.12	8.17
Wilson Horton	11.60	11.60	11.60	11.36

Zurich — SPI index: 3655.24, Previous: 3645.96

	High	Low	Close	Prev.
ABB B	2205	2159	2200	2163
Adecco B	574	571	571	573
Alusuisse R	1363	1316	1353	1315
Ares-Serono B	2430	2310	2390	2340
Atel R	850	841	841	850
Baer Hdg B	2225	2185	2225	2180
Baloise Hdg R	2100	2085	2089	2090
BK Vision	1182	1150	1181	1152
Ciba Spec Chem	144	141.75	143.50	142
Clariant R	1206	1178	1189	1210
Crd Suisse Gp R	196.25	193.50	195.50	195.75
Elektrowatt B	537	535	535	537
Ems-Chemie	6980	6900	6905	6960
ESEC Hdg	4000	3960	4000	4000
Holderbank B	1341	1316	1325	1350
Liechtenst LB B	573	570	570	570
Nestle R	2046	1982	2041	1994
Novartis R	2310	2275	2295	2279
Oerlikn Buehl R	188	184.50	186	187
Pargesa Hld B	1890	1840	1890	1860
PharmVisn B	914	901	906	914
Richemont A	2005	1965	1970	2035
Pirelli PC	335	330	332.50	330
Roche Hdg PC	13450	13200	13370	13475
SBC R	394	387	389	390
Schindler PC	1830	1810	1820	1830
SGS B	2547	2470	2530	2480
SMH B	875	861	870	865
Sulzer R	1078	1050	1070	1075
Swiss Reins R	2224	2182	2195	2219
SAir Group R	1933	1900	1918	1915
UBS B	1663	1629	1652	1620
Winterthur R	1416	1390	1406	1412
Zurich Assur R	634	622	621	622

NASDAQ

Tuesday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.

NYSE

Tuesday's 4 P.M. Close

(Continued)

Thais Slash Budget to Meet IMF Goals

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — Thailand will slash an additional 50 billion to 60 billion baht ($1.39 billion to $1.68 billion) from its budget for the year that starts next week, Prime Minister Chaovalit Yongchaiyut announced Tuesday, even as the cash-strapped government is delaying some payments due in the current year.

The new cuts from the 923 billion-baht budget are aimed at meeting Bangkok's obligations under a $17.2 billion bailout sponsored by the International Monetary Fund. Thailand must limit the budget deficit for the current year to 1.6 percent of gross domestic product and record a budget surplus of 1 percent next year.

Mr. Chaovalit said the cuts would not affect spending on public health or welfare and would allay any increase in taxes.

But analysts said the cuts were unlikely to make up the effect the slowing economy will have on tax revenue. They also voiced concern that Bangkok had found it necessary to delay payments into the new fiscal year.

"When corporate Thailand records a big loss from unhedged foreign currency debt," said Barry Yates, head of research at Seamico Securities, "it will bring in no tax revenue next year."

Consumption tax revenue will also slow, he said, thanks to an increase in the value-added tax and interest rates.

Arporn Chewakrengkrai, chief economist at Deutsche Morgan Grenfell, said the revenue shortfall next year would exceed 60 billion baht.

Ms. Arporn said the government's current freeze on payments was a worry, especially since it comes just before the IMF's first review of the bailout.

A positive review would increase Thailand's chances of getting a second $800 million tranche of the fund's $4 billion in standby credit. Thailand obtained the first $1.6 billion tranche in late August. But with the deficit already at 30.7 billion baht at the end of July, analysts said the government would have difficulty holding the deficit within the IMF guideline of about 50 billion baht.

In the final week of the fiscal year, the squeeze has been put on many government departments. Provincial construction contractors have been complaining that payments from the government have stopped over the past two weeks.

"Can you imagine if they postpone all the payments for 15 days?" Ms. Arporn said.

An executive from one of the country's largest contractors said: "First they slowed down giving us payments about three months ago. Now they have told us to wait for our money."

The executive said the company was paying an interest rate of 16.5 percent on funds borrowed to cover the payment gap.

The governor of one province said the order for a payment freeze had been sent out by the central government in mid-September. "We were told to delay by asking for a double confirmation of all documents," he said.

■ Bangkok Wins Praise

The IMF praised Thailand on Tuesday for implementing its economic adjustment plan, Agence France-Presse reported from Hong Kong.

Stanley Fischer, IMF first deputy managing director, said the IMF-imposed program was being implemented "extremely rapidly" by Thai authorities. He said they should "get some respect on the speed" with which they are moving.

Jakarta Lists Projects to Be Delayed

Compiled by Our Staff From Dispatches

JAKARTA — Indonesia listed in detail Tuesday the projects that it is delaying — and those that it is reviewing — to reduce pressure on the current-account deficit and the rupiah.

A total of 81 projects worth 49.57 trillion rupiah ($16.7 billion) have been delayed, according to a presidential decree that followed up on a more general announcement made last week. Under review are 75 projects valued at 61.62 trillion rupiah.

Projects led by PowerGen PLC, Unocal Corp., Enron Corp., and Mitsubishi Corp. are among those to be postponed. PT Bimantara Citra, a publicly traded holding company controlled by President Suharto's second son, is an investor in the Mitsubishi project.

Also delayed were 13 power plants, 36 toll roads and such items as the Manggarai intercity terminal in central Jakarta, Lombok airport, Polonia-Medan airport and many rail and cargo terminals and sea transport projects.

On the list of projects to be reviewed is a 1.5 trillion rupiah agreement to build a shopping mall between a state company and PT Duta Anggada.

Among projects to be continued, the government said, are the "triple decker" railroad transit project, controlled by President Suharto's eldest daughter, and PT Industri Pesawat Terbang Nasional's development of the N-250 jet plane. *(Bloomberg, AFX)*

Starbucks Sets Plans For Asian Expansion

Bloomberg News

TAIPEI — Starbucks Corp., which brought café latte to Main Street U.S.A. announced ambitious plans Tuesday to expand its Asian operations.

The Seattle-based company plans to open as many as 200 cafés in Taiwan, its fourth market in the region. It is teaming up with the island's President Group, which runs 7-Eleven stores. The first Starbucks is to open early next year.

Coffee drinking is set for "tremendous growth" in Taiwan and the rest of Asia as consumers become more affluent, said the president of Starbucks, Orin Smith, who was in Taipei to announce the venture. Howard Behar, the company's head of international business, predicted consumption in the region would rise by between 10 percent and 20 percent a year.

Taiwan is the company's fourth overseas market. It currently operates in Japan, Singapore, and the Philippines.

"Our earnings from Japan have topped our targets, and we're quite successful in Singapore," Mr. Smith said.

In Taiwan, Starbucks plans a $6.9 million joint venture — President Coffee Corp. — in which it will take 5 percent. Its coffee will also be sold in the group's 7-Eleven stores.

Starbucks earned $42.1 million, or 55 cents a share, on sales of $647 million for the 1996 financial year.

■ Strong Sales Forecast

Starbucks, which has projected sales of $950 million to $980 million in the financial year ending Sept. 30, expects to continue revenue growth of up to 40 percent annually in coming years, the company's chairman said, according to a Bridge News report.

Howard Schultz said Starbucks could sustain its current growth rate of between 35 percent and 40 percent "for quite some time."

Nike Sanctions 3 Firms for Labor Abuses

Indonesian Manufacturers Are Accused of Violating Company's Code

Compiled by Our Staff From Dispatches

PORTLAND, Oregon — Stung by accusations that many of the employees of its Asian subcontractors work in sweatshop conditions, Nike Inc. said it would sever ties with four Indonesian factories for violating the company's labor standards.

In the announcement, made at its shareholder meeting Monday, Nike said it was the first time it had stopped using a contractor as a result of a review of compliance with its code of conduct.

Separately, President Tom Clarke confirmed that Nike's growth rate would slow this year, reflecting weaker U.S. footwear sales.

Chairman Phil Knight said factory conditions have improved dramatically since Nike began as a small maker of athletic shoes 25 years ago, and violations of working conditions and wage levels were exceptions.

"Good shoes are made in good factories," he said. "Good factories have good labor relations."

Nike said the move involved three subcontractors who manufacture products for Nike and other clients at four factories in Indonesia.

Nike said it severed its relationship with one of the subcontractors, which it identified as Seyon, because the company had refused to meet a 10.7 percent increase in the monthly minimum wage mandated by the Indonesian government in April.

Vada Manager, a spokesman for Nike, called Seyon "a good company" and said Nike could sign a new contract next year if the Indonesian maker of sports gloves met the wage requirement.

Mr. Manager declined to identify the other three factories but said Nike was ending its relationship with them because they had failed to comply with Nike's standards for overtime and physical environment.

The company said that at one of the factories the average work week was 60 to 70 hours.

Global Exchange, a human rights group, repeated its accusations that Nike's contractors operated factories similar to prison camps, paying below the minimum wage, hiring workers as young as 13 and violating its own code of conduct.

Medea Benjamin, a spokeswoman for the group, said conditions at two Chinese factories violated both Chinese law and Nike work codes and that employees over the age of 25 were routinely fired.

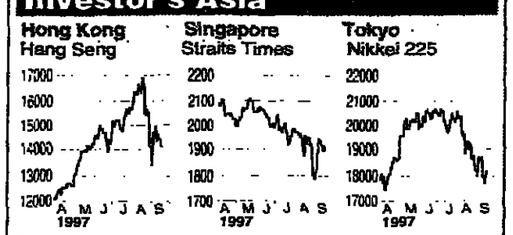
Nike denied the charges and said it paid salaries well above the minimum wage in China.

John Gress/The Associated Press

Nike's chairman, Phil Knight.

Mr. Clarke said Nike would overcome its difficulties in U.S. footwear sales, which he said would decline by less than 10 percent over the next two to three quarters, and over the long term would continue to expand the category by 7 percent to 12 percent a year. *(AP, Reuters)*

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,094.38	14,108.58	-0.10
Singapore	Straits Times	1,916.10	1,908.23	+0.41
Sydney	All Ordinaries	2,776.90	2,764.90	+0.43
Tokyo	Nikkei 225	Closed	16,201.32	-
Kuala Lumpur	Composite	781.29	760.50	+2.72
Bangkok	SET	536.03	523.80	+2.33
Seoul	Composite Index	654.37	668.45	-2.11
Taipei	Stock Market Index	9,073.77	9,220.99	-1.60
Manila	PSE	2,049.67	2,096.23	-2.22
Jakarta	Composite Index	539.48	535.60	+0.72
Wellington	NZSE-40	2,566.45	2,573.61	-0.28
Bombay	Sensitive Index	3,822.42	3,770.99	+1.36

Source: Telekurs — International Herald Tribune

Very briefly:

• **Ssangyong Group**, South Korea's sixth-largest conglomerate, said it had begun receiving millions of dollars in loans it had requested from commercial banks to help it overcome cash-flow problems. The group said its main creditor bank, Cho Hung Bank, approved loans of 130 billion won ($142.5 million) last month, while other commercial banks had agreed to extend an additional 280 billion won.

• **CITIC Guo'an Information Industry Co.** has issued 50 million A shares restricted to domestic investors on the Shenzhen Stock exchange, becoming China's first satellite communications firm to list.

• **Broken Hill Pty.**, Australia's largest company, is relying on 7.5 billion dollars ($5.41 billion) in new projects to increase profit and reverse a decline in its share price, Chairman Jerry Ellis said.

• **Mitsui & Co.** and **Mitsubishi Corp.** plan to invest at least 100 billion yen ($816.6 million) to buy 10 percent of the liquefied natural gas in a field on Alaska's North Slope being developed by a group led by Exxon Corp. The Nihon Keizai newspaper reported that the trading companies planned to supply Japan with 7 million tons of gas a year, or 15 percent of its annual demand, by 2007.

• **Australia and New Zealand Banking Group Ltd.** appointed John McFarlane, an international banker, as its new chief executive, replacing Don Mercer.

• **Daewoo Corp.** of South Korea could be interested in buying a former Renault SA car factory at Setubal in southern Portugal, the Diario Economico newspaper reported.

• **PSA Peugeot Citroen SA** of France and Malaysia's **Perusahaan Otomobil Nasional Bhd.**, or Proton, signed an agreement for the manufacture, assembly and distribution of a new Proton model based on an existing Citroen car.

• **Hong Kong's** key inflation indicator, the consumer price A index, which tracks the 50 percent of Hong Kong households that spend between 2,500 and 9,999 Hong Kong dollars ($320 to $1,290) a month, rose slightly in August to 6.6 percent, compared with 6.5 percent in July. *AFP, Reuters, Bloomberg*

Targets met in first half
Net profit: FF 608 million
75% of sales achieved in export markets

Orders booked *to 30th June, 1997 rose by 8.5% to FF 25.2 billion, up from FF 23.3 billion at 30th June, 1996. Exports account for FF 17.4 billion or 69.2% of this figure. Orders were driven by commercial successes in the tactical missile business (with the first export orders for Aster missiles), good order levels for heavy helicopters and the very favorable reception given to new models (the single-engined EC 120 Colibri and twin-engined EC 135 light helicopters).*

Sales *to 30th June, 1997 increased 11.8% to reach FF 25.8 billion, with 75% of sales (FF 19.4 billion) achieved in export markets. Aircraft business billings in particular were up 27%, helped by growth in Airbus deliveries.*

Net attributable *profit jumped 122% to reach FF 608 million at 30th June, 1997, compared with FF 273 million for the same period a year earlier. First-half operating profit also rose to FF 371 million, up from FF 1 million in the first half of 1996.*

Balance sheet. *Net debt has been reduced by FF 2.1 billion. This has brought it down to FF 835 million at 30th June, 1997, compared with FF 3.6 billion at 30th June, 1996 and FF 2.9 billion at 31st December, 1996. Net debt now represents only 15% of the group's consolidated equity.*

***

Prospects. *In his comments on the results, Chairman Yves Michot noted: "The current trends on Aerospatiale's main markets indicate that performance, in terms of orders booked, should be equivalent to 1996, while sales should advance significantly. Prospects for profits are in line with forecasts. The Aerospatiale group's balanced portfolio of businesses and consolidated financial potential are proof of its ability and determination to continue to help build the European civil and military aircraft and space industry."*

For further information
http://www.aerospatiale.fr
37, boulevard de Montmorency
75016 Paris
FRANCE

AEROSPATIALE
Taking Europe further

BDDF CORPORATE

48° reclining seats.

ADVICO YOUNG & RUBICAM

We know how to get you to your destination refreshed. And it's not by splashing mineral water in your face. On our long-haul MD-11s, we are installing new 48° reclining seats in Business Class, up from 27°. Lest the passenger behind you gets his knees crushed: seat pitch grows to a full 47 inches. Which makes it easier to raise the legrest to almost horizontal. So just lean way back and relax. And hold your glass straight. http://www.swissair.com

swissair world's most refreshing airline.

TECHNOLOGY

Founder of Gateway Keeps the Door Open

By Steve Lohr
New York Times Service

NEW YORK — Drop out of college, start a company, work endless hours and, against all odds, your fledgling personal-computer marketer becomes a success. You watch with pride and some awe as the company, started in a tiny office on the family cattle farm in Iowa, grows astronomically in size and value, into the millions of dollars and then billions.

It seems only human to consider stepping back a bit from the workload and responsibility, cashing in and spending more time with your four children.

Ted Waitt, the billionaire chairman of Gateway 2000 Inc. — a direct-from-the-factory marketer of personal computers, known for its quirky advertising and cowhide-patterned boxes — acknowledges that he has had some second thoughts over the years.

One proposal, Mr. Waitt recalled, came a few years after Gateway was founded in 1985 — he was offered about $10 million for the company.

He called his uncle David, a commodities broker, a man attuned to the punishing swings of the agricultural business. His uncle's advice: Sell the business while it was hot. "He said, 'Don't walk away from it, run,' " Mr. Waitt said.

Mr. Waitt, 34, also apparently entertained some second thoughts about his future and Gateway's earlier this year, when he talked to executives of Compaq Computer Corp. about acquiring Gateway for roughly $7 billion. The merger talks collapsed in mid-April. But those reports, word that Mr. Waitt paid $14 million in July for a seaside mansion near San Diego (*far indeed from Gateway's headquarters*) and a surprising drop in Gateway's earnings raise the issue of whether Mr. Waitt's focus has strayed from the business recently.

"I'd be lying to you if I said I had not done some soul-searching," Mr. Waitt said in an interview recently in his hotel suite in Manhattan.

"But that is also something I've done at various stages in my career," he continued. "Every time, I've come back and recommitted myself to the business. And that's where I am now."

He has not commented on reports of the talks with Compaq and he would not do so directly in the interview earlier this month. "But I will say that I never looked at a transaction with the intention of getting out of the business," said Mr. Waitt, who was in New York to introduce Gateway products and meet with securities analysts.

The Compaq-Gateway deal that was considered, according to one person close to Compaq, would have made Mr. Waitt, who owns 46 percent of Gateway, the largest single shareholder in Compaq and a member of the Compaq board. In short, *he would have stayed in the business, but he would have* been a high-level underling at Compaq, the world's largest PC maker.

Mr. Waitt also had qualms about Gateway's being controlled by a faraway corporation, this person said. He may have some ambivalent feelings about his hometown community of Sioux City, Iowa, but his roots there are deep and loyal. "Both Gateway and I are products of Sioux City," Mr. Waitt observed.

His period of personal reflection behind him, Mr. Waitt must now lead Gateway through a tricky corporate transition. Gateway is trying to move aggressively beyond its consumer business into the lucrative corporate market. In the early going, Gateway's corporate campaign has faltered.

On Sept. 3, the company warned that its operating profits for the third quarter would fall sharply — not much above the break-even point. The reason: an overly optimistic forecast of how quickly it could make inroads in the corporate market has left Gateway saddled with a costly inventory of chips and other PC components.

The company overreached, Gateway executives say, not because its forecasting model went awry but because sales targets were set above the level in the forecast. Gateway, to be sure, is growing at a rate of some 30 percent a year, well ahead of the PC industry as a whole.

Yet its mirror-image rival as a direct marketer of PCs, Dell Computer Corp., which focuses mainly on the corporate market, *is growing at twice the rate of* Gateway.

"I pushed the forecast because I felt that we had become complacent, that we weren't growing fast enough," Mr. Waitt said. "After all, you've got Dell clipping along at a 60 percent growth rate."

Indeed, the Dell-Gateway competition is one of the most intriguing rivalries in the computer business. Both companies are led by college dropouts — now both billionaires in their early 30s — who recognized the power of the direct-sales approach, bypassing retail middlemen to offer customers more powerful PCs for less money and enabling producers to build direct marketing relationships with buyers.

Yet the two men at the top seem a study in contrasts.

Lanky and informal, his receding hair pulled back in a ponytail, Mr. Waitt drapes himself over a chair and lights a cigarette after retrieving a soap dish to use as an ashtray (something he says he has done "in the best hotels in the world").

His manner is welcoming, he looks people in the eye, and he speaks with a voice that suggests sincerity, even to the hotel staff. By temperament and instinct, he is a consumer marketer.

Michael Dell, 32, is heavier set and more formal in manner and appearance. A no-nonsense businessman, he also has a lively, acerbic sense of humor, with his jokes usually cutting remarks about competitors. He comes from a professional family — his father an orthodontist, his mother a stockbroker — and he is very much at home in dealing with buttoned-down corporate types.

Small wonder, then, that Mr. Waitt would focus on the consumer PC market, while Mr. Dell would favor the corporate market. Today, it seems, Mr. Dell made the better choice. Dell Computer's growth rate has been faster, its profits higher and its stock is the Wall Street darling among PC companies.

Gateway has begun pushing hard in the business market, doubling its corporate sales force in the last year and earlier this month introducing a full line of powerful workstations and servers, the machines that distribute data to desktops in computer networks.

The focus on corporate business, though, does not mean Gateway is pulling back in any way from its consumer business.

Its market research suggests that the penetration of PCs in American households will move from 40 percent to 65 percent over the next three years, as lower-income families and the elderly join the computer age.

Ira Levy/Agence France-Presse

Ted Waitt, right, Richard Grasso, president of the New York Stock Exchange, and the Gateway mascot cow when the stock was first posted.

GROUPE INDOSUEZ FUNDS MANAGEMENTCOMPANY S.A.

Registered Office: 39, Allée Scheffer
L-250 Luxembourg
RC Luxembourg B. 22.747

TO THE UNITHOLDERS OF THE GROUPE INDOSUEZ FUNDS

DIVIDEND ANNOUNCEMENT

The Board of Directors of the Groupe Indosuez Funds Management Company S.A. acting for and on behalf of the Groupe Indosuez Funds, has decided on September 18, 1997 to distribute, according to the Prospectus, the following dividends:

G.I. Asia Pacific:	USD	0.01
G.I. Pacific Income Bond:	USD	0.08
G.I. Deutsche Mark Bond:	DEM	0.25
G.I. Deutsche Mark Reserve:	DEM	0.09
G.I. Diverbond:	CHF	0.12
G.I. European Bond:	XEU	0.06
G.I. French Franc Bond:	FRF	0.63
G.I. Dollar Reserve:	USD	0.10
G.I. Global Bond:	USD	0.12
G.I. Dollar Bond:	USD	0.15
G.I. Italy:	ITL	147.00
G.I. Italian Lira Bond:	ITL	382.00
G.I. United Kingdom:	GBP	0.03
G.I. GBP Reserve:	GBP	0.04
G.I. FRF Reserve:	FRF	0.37
G.I. Eastern Europe:	USD	0.01
G.I. Spain:	ESP	1.00

The ex-dividend date will be September 22, 1997 and the payment date will be September 29, 1997.

FOR THE MANAGEMENT COMPANY
THE DOMICILIARY AGENT

CREDIT AGRICOLE INDOSUEZ LUXEMBOURG

Free Service Tries to Lure New Internet Users From AOL

By Rajiv Chandrasekaran
Washington Post Service

A fast-growing West Coast technology firm, in partnership with some of the nation's largest telecommunications companies, has begun offering a free service this week to lure novice computer users directly to the Internet and away from America Online Inc.

The service, run by CNet Inc. of San Francisco, is based around a World Wide Web site (http://home.snap.com) that organizes content on the sprawling global computer network into "channels" for news, sports, entertainment and other topics — a format similar to those of AOL and the Microsoft Network.

But what makes CNet's Snap Online service different — and why some industry analysts contend it stands a chance to compete against AOL, with its 12 million customers — is a CD-ROM tutorial that coaches neophytes through their first steps in cyberspace.

Signing up with an Internet service provider typically has been complex, requiring customers to make detailed adjustments to their computer's software. AOL has long won praise for its simple installation process, which requires only basic computing skills.

Snap "will give consumers who use an ISP Internet service provider a much more friendly experience," said Kate Delhagen, an analyst with Forrester Research Inc. in Cambridge, Massachusetts. "That in itself is a challenge to AOL, which today has the single easiest way to get on the Internet."

"The process has been very daunting," said Halsey Minor, CNet's chief executive. CNet, which stands for the Computer Network, is best known for its technology-related Web sites and for running tech-focused television and radio programs.

Another issue for Snap: Where will the money come from? AOL gets monthly fees from its subscribers. Snap's creators hope it will support itself with ads, a business model that has not yet been profitable for most Web ventures.

CNet intends to have the Snap CD-ROMs distributed by its business partners, which include Internet access services run by the telephone giants AT&T Corp., Sprint Corp., Bell Atlantic Corp. and BellSouth Corp., and smaller ones such as EarthLink of Pasadena, California.

"We want to take Internet access to a whole new set of customers that heretofore would have gone to America Online," said Sky Dayton, founder and chairman of EarthLink, which has 350,000 customers.

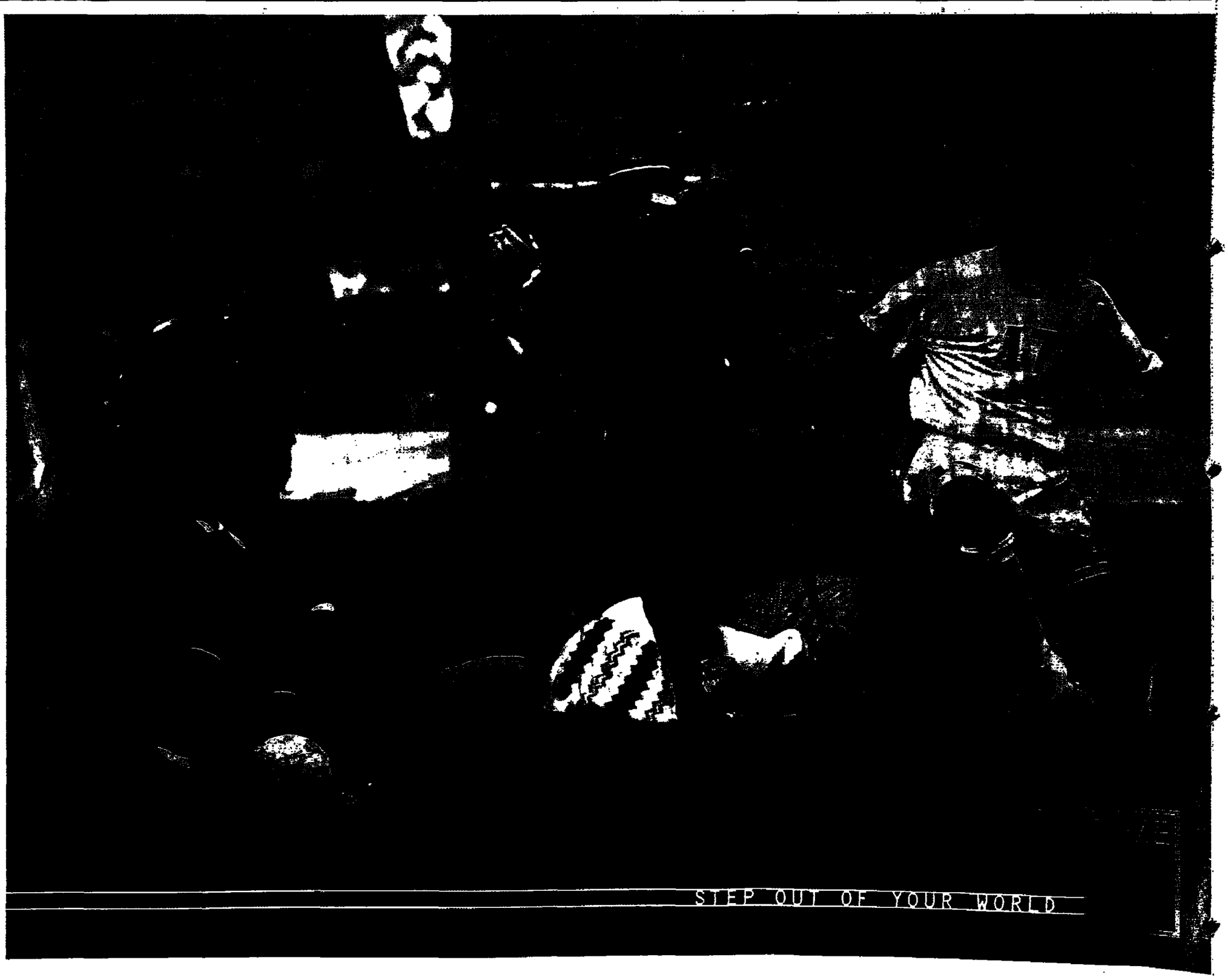
The service also will be distributed through such non-Internet companies as Hilton Hotels Corp.

Although CNet has simplified the sign-up process, its content has a long way to go before it rivals that of AOL, which has tens of thousands of screens of its own original material in addition to connections to material on the Internet. Snap also will require people to use another piece of software to send and receive electronic mail.

"Snap looks like it's going to attract lots of 'newbie' customers, but it doesn't appear that AOL is going to be in trouble because of this," said Patrick Keane, an analyst at Jupiter Communications, a market research firm in New York.

Snap's channels contain links to relevant material on other Web sites, regularly updated by CNet's staff. The sports channel, for example, includes connection to stories from various newspapers, a personalized listing of game scores, and information culled from the ESPN SportsZone and CBS SportsLine sites.

"*The Web can be incredible competition to* AOL," Mr. Minor said. "But it can be an unruly medium. It needs to be packaged."



هكذا من الأصل

Advertisement

INTERNATIONAL FUNDS

available on Internet: http://www.iht.com/IHT/FUN/funds.html

September 23, 1997

Quotations supplied by fund groups to Micropal Paris (tel: 33-1 40 26 09 09)

For information on how to list your fund, fax Katy Hourl at (33-1) 41 43 92 12 or E-mail : funds@iht.com
To receive free daily quotations for your funds by E-mail : suscribe at e-funds@iht.com

service sponsored by NOKIA

The data in the list above is the raw, supplied by the fund groups to Micropal SA. It is collated and reformated into the list before being transmitted to the IHT. Micropal and the IHT do not warrant the quality or accuracy of the list, the data of the performance of titles of the Fund Groups and will not be liable for the list, the data or Fund Group to any extent. The list is not and shall not be deemed to be an offer by the IHT or Micropal to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

Call or
NOKIA 9000
www.nokia.com

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Marks; Dkk -Danish Kroner; Dn - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finish Mark; FL - Dutch sFlorin; IDR - Indonesian Rupiah; Lit - Italian lire; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Skk - Swedish Kronor; THB - Thai Baht; Y - Yen;

a - asked; o - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; - Nav; S - suspended; S/S - stock Split; * - Ex-Dividend; ~ - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; - - Paris exchange; ++ -Amsterdam exchange; e - adequated earlier; x-not registered with regulatory authority, P; Middle of bid and offered price, E; estimated price; f; price calculated 2 days prior to publication; z: bid price.

The unoriginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-weekly; (f) - fortnightly; (r) - regularly; (i) - twice weekly; (m) - monthly.

WORLD ROUNDUP

It's Still Bangkok

ASIAN GAMES The Olympic Council of Asia decided Tuesday to allow Thailand to continue preparations for the 1998 Asian Games but gave it two months to show progress in solving organizational problems surrounding Asia's premier sporting event.

Sheikh Ahmad Fahad Sabah of Kuwait, president of the council, told of the decision after a meeting in Kuwait to review Thailand's handling of the event.

He added that he would head a follow-up committee that would meet in Bangkok in two months to review what has been done. A final decision on the fate of the Games will be made by the general assembly of the council in December.

"As long as Bangkok manages to solve the problems, the Games will stay in Bangkok," Sheikh Ahmad said. "If not, there will always be a solution. There will always be a replacement."

He said four cities were interested in playing host for the Games, but declined to identify them.

He said the Bangkok organizers had still not resolved problems of accommodation, transportation, ticketing and security.

The competition is scheduled for Bangkok in December 1998. *(AP)*

AP

Sergi Bruguera of Spain, who was unhappy with his racquet.

Kafelnikov a Winner

TENNIS Yevgeni Kafelnikov swept to an easy straight-sets victory over Sergi Bruguera of Spain on Tuesday as the world's top players started the hunt for the richest prize in tennis at the Compaq Grand Slam Cup in Munich.

The Russian blew past Bruguera, 6-4, 6-3, at the $6 million tournament, which has a first prize of $1.5 million. Cedric Pioline of France also won his opening match when Filip DeWulf of Belgium withdrew in the second set with a twisted ankle after stepping on a ball. Marcelo Rios of Chile also won, beating Mark Woodforde of Australia, 6-7 (2-7), 6-3, 6-1.

• Niki Pilic announced Tuesday that he planned to step down at the end of 1998 as Germany's Davis Cup coach, leading to speculation that Boris Becker would be his successor. *(AP)*

An Encore for Svorada

CYCLING The Czech Jan Svorada captured the 17th stage of the Tour of Spain on Tuesday, edging the Germans Marcel Wust and Sven Teutenberg in the sprint finish. It was his second successive stage victory and third in the tour. Alex Zulle of Switzerland maintained his overall lead over Fernando Escartin of Spain. *(AP)*

2 Sides Are on Notice

RUGBY Stung by $50,000 fines for an on-field brawl last week, Pontypridd and the defending titlist French club Brive will be thrown out of rugby union's European Cup if there is a violent repeat when they meet again Saturday in Wales. *(AP)*

Golfers Getting the Feel Of Valderrama's Carpets

Tiger Woods Can Be Beat, Ballesteros Says

By Ian Thomsen
International Herald Tribune

SOTOGRANDE, Spain — Valderrama is one of those places that has nothing to do with the rest of the world.

It is the private golf course where the 32d Ryder Cup match will be played over five rounds Friday through Sunday. It swallows you up as you walk within the gates, like a jungle or a casino in Las Vegas. You keep having to remind yourself where you are today.

In Spain you are near the southern coast, but with no sight of the ocean — the only clues being the breezes and bursts of wind that may influence play more than either of the team captains. The cork trees would be another sign, if they weren't planted with such artificial perfection, in rows hugging the fairways and in other purely devilish positions.

RYDER CUP

"The fairways are like carpets," said the American player Mark O'Meara, and the bunkers are splattered whiter than eggs without the yolk.

All of this in a country that doesn't much like golf; Valderrama might be Area 51 for all the Spanish know. It should be the setting for a strange, Alice In The Looking Glass story in which nothing is as it ought to be, and that is exactly what it will become this weekend, or maybe it won't.

The American and European teams had their first full day of practice on the 6,734-yard (6,156-meter), par-71 Valderrama course Tuesday. They wore uniforms. Each of the 12 Americans had his name stitched in capitals on the back of his baseball cap. They carried on not wanting to realize that they were being set up, targeted, that they've been brought to Fantasy Island for a reason, and to play a typical golf tournament is not it.

Seve Ballesteros, the European nonplaying captain, tried to marry himself to the abnormal laws of Ryder Cup physics when Tiger Woods' name came up at a news conference Tuesday. Ballesteros praised Woods; then he stopped and said, "This is the going to be the first time he plays in a Ryder Cup."

As a prologue to Ballesteros' concluding statement, note that his 12 European players include Lee Westwood of England, Thomas Bjorn of Denmark, Darren Clarke of Northern Ireland and Ignacio Garrido of Spain, whose European victories taken altogether are fewer than the six titles Woods has won since joining the much more competitive PGA Tour just a year ago.

"I think any of my golfers can play against Tiger Woods and beat Tiger Woods," Ballesteros said.

"It's true," Woods responded later in the day. "They can beat me. That's just the way it is, it's match play."

Woods, apart from being the messiah of golf and a potential rival to Jack Nicklaus's records, is also the king of match play. He won three U.S. Junior Amateur Championships in a row followed immediately by three U.S. Amateur titles through last year, which is to say that he didn't lose a match in six years.

The distinction is that those were individual titles. In the 1995 Walker Cup, however, which is the amateur equivalent of the Ryder Cup, Woods played disappointingly and felt even worse from the food poisoning he contracted upon arriving in Wales. In a rare upset the U.S. team lost to Britain and Ireland.

Timothy S. Clary/Agence France-Presse

Mark O'Meara of the U.S. team hitting chip shots over trees as Phil Mickelson, left, and Tiger Woods watched.

"I've alone on one and anyone can win, that's ways preferred match play over stroke play," Woods, 21, said. "It's one on one and anyone can win. That's what makes it so great. The other guy can get hot but you can counter. If you get the momentum on your side, you can ride that wave. It's a great feeling. It takes more courage to play match play."

One of the crucial punishments at Valderrama is the tight fairways and the soft, lush Bermuda rough, which is like paradise for the barefoot and exactly the opposite for errant golfers.

It might seem like a difficult venue for Woods, but it doesn't give him much credit to imagine that he can't adjust tactically in response to his opponents. If anything, he might have a worse time with the greens, which aren't as fast as those at Augusta National, but are much softer.

Someone who knows the course well predicted (or hoped, for this was a European perspective) that Woods might have trouble stopping his ball near the holes, that the fantastic backspin he applies might spin him off of these yielding but quick greens.

But it will be silly to expect anything less than Woods at his best this week. He seems to have prepared himself for all the pressures of the Ryder Cup — he said he was even looking forward to the galleries rooting against him, because that's what baseball and football players go through. "I think that's cool," he said.

He also seemed especially relaxed, perhaps because this event is bigger than he is. He is part of a team and the teammates were saying nice things about him.

"It's good for Tiger to get to know the other players on the team," said his friend O'Meara. "I think he realizes he's going to be around a long time, and there's no reason all of us can't be friends — and he wants to be friends with everybody."

■ Spaniard Joins the Europeans

The nasty confrontation between the European Ryder Cup team and its ousted member, Miguel Angel Martin of Spain, ended peacefully Tuesday when the player agreed to join the squad at Valderrama as a nonplaying member, The Associated Press reported.

Golfing in Vikings' Normandy Haunts: A Test of Valor

Vantage Point/**KYLE JARRARD**

International Herald Tribune

PARIS — In golf, you never know what's going to happen next. For amateurs, this is the sometimes joyous pain of the game. As for the pros, well, they're mostly getting paid to suffer. All golfers, however, know the golf gods are to blame for this state of affairs — and are duly humble when swinging through these rarified terrains. This, however, doesn't always save the day.

I invited a friend out into the Norman countryside to play golf at a coastal town called Etretat. It's known mostly for its towering chalk cliffs and Channel vistas. It also has a well-known golf course, established in 1908, overlooking the sea.

Normandy begins not far from Paris. In fact, you arrive there in a little more than half an hour. You cross the historical "border" at the River Epte, and plunge into ancient Viking territory. I'm intrigued that my friend claims to know the etymology of village names, such as Le Thilliers, derived from the word for Linden tree, and Elbeuf, which just might be the Norse word for a ford in a stream. It's a light little discussion that golfers typically fall into on the way to battle; anything is better than thinking about the game ahead.

Etretat is two and a half hours out. A quick tour of this rocky beach town, where it's lunch and packs of tourists are milling about with dripping ice-cream cones, is quite enough. Five minutes up the hill, we escape into the woody confines of the Golf d'Etretat and have a clifftop lunch of mussels, fries and beer. The weather is perfect.

The golf, however, isn't. We duff shot after shot, learn new meanings for the word "rough," and that, yes, it is possible to actually lose your ball in the open fairway even though you and three other intelligent human beings all saw exactly where it landed. Twixt the misery, we marvel at the white sailboats on the channel, gaze at the tourists walking safely beyond the course on the splendid cliffs. Below, on the beaches, hundreds of bathers are soaking up the sun and raising a din louder than swooping gulls.

AND SO it goes for six holes or so, then we're finished with the front nine. No one in our little foursome — we're playing with two Frenchmen who give new meanings to the words "slice" and "top" — bothers to tally his score. And with good reason: Looking back won't kill the monster ahead.

The No. 10 teebox rivals Olympus. Far, far below lies the narrow crook of an uphill par-5 dogleg. Suffice to say only one of us managed to get a ball down there in play.

The rest of the hole is even worse, thanks to the long rise to the green and the tourist gallery that forms alongside the fairway. Most spectators shake their heads in sympathy as we fling our second and third shots into knee-high brambles. Others laugh out loud, rightly, when one ball after another lands on the front of the green, only to roll back to the fairway.

It couldn't be much worse, right? Yes, it could. For when we tee off on No. 11, one ball after another is sucked up into the clouds. Or, more precisely, into a bank of fog. A little amused, we trudge up the fairway to look for our first shots. After a few circlings, all of them are found.

Then the fun begins, as the fog drops down upon the course. We try to figure out where the green is, and can just make out a couple of flags up ahead. But it's unclear which one is the right one; what's more, there's no telling the distance; worse, if you knock it up there, you'll never find your ball again. We chuck aside reason, take aim and go for it anyway.

A foghorn sounds in the soup. A ship? Or a signal from the clubhouse? Spooked golfers stand around like sheep. Does this mean we can't play anymore? Heck no, some say. It sure the hell does, others insist; what do you want to do, kill somebody? Yes, I feel like saying, starting with a golf god.

WE FEEL our way to the 11th green, where only a couple of us find our balls. We're only a few feet from the sea, but you can't see it. I remember that there is a fence at the edge of the course and take heart knowing it would be hard to walk straight off into the channel. Still, we've been zigzagging all over the place out there, and so: Where is the clubhouse? Laughter breaks out in our little foursome. No one has the slightest idea.

One of the Frenchmen seems not to care. He tromps over to the No. 12 teebox and says, "This one's a par-3. Who's game?" We look for the green. All is void. "Look," the guy says, "I'll hit one up there and if someone yells, then we'll know it's not safe." We quickly talk him out of it.

Disappointment seeps in. Then a twinge of fear: We'll never find our way back. We will have to stand out there, lost, helpless. We look at the other golfer-sheep a while. I talk about how my brother and I used to stop along a mountaintop course we liked to play and fire teeshots off the cliffs when no one was looking — and, boy, was that fun! Everyone yawns.

Then my partner has a flash and yanks out his soggy scorecard. It's got a map of the holes! All we have to do is get to the No. 18 tee and follow it home! Of course! the Frenchmen cry, and start off into the unknown.

"There they go," I say to my partner. "Quick, follow them," he replies.

It's a quick pace; eyeglasses drip; sounds are dulled. Ghostlike, golfers and all their gear move this way and that, all searching. Not sheep, but marauding Vikings.

A good half-hour later, we make it. Inside the clubhouse at the 19th hole, we sit and look out the windows at the fog, half-heartedly lament the holes that didn't get played, and rumble facetiously about how we're due a "fog-check." Then, like good golfers everywhere, we cede to the powers that be and lift our glasses high to toast the low, Norman cloud. Any second now, it will clear off, right?

Good Times, Bad Times: Love of Sport Triumphs in the End

World Soccer/**ROB HUGHES**

International Herald Tribune

HELSINKI — The course of true love — between a man and his sport — seldom runs true. One week ago, this correspondent fell again under the spell of beauty in the Bernabeu. There, Real Madrid's young players paraded skill and movement that it seemed the game of lost innocence was back.

There was joy. There was freedom. There was expression. And there were four goals turning art into effect.

Now comes the awakening. Moving on to Helsinki, where delegates of 50 European soccer federations meet this week, idealism takes a kick in the teeth. The very same UEFA overlords who ask why a writer's pen dips so often into negative ink, face the ugliest thing in sport — corruption by an arbiter.

On Tuesday, UEFA confirmed a year's ban on Royal Sporting Club Anderlecht from any European competition it may qualify for. UEFA suspects that Anderlecht tried to bribe referees in 1983; it knows the club succeeded with a million Belgium franc ($27,000) payment to a Spanish referee to allow Anderlecht deceitfully to beat Nottingham Forest in the 1984 UEFA Cup semi-final.

That match had the stench of corruption at the time. The English team led, 2-0, after the first match in Nottingham, but "lost" by 3-0 in Anderlecht where Guruceta Muro, the bought referee, awarded Anderlecht a blatantly contrived penalty and disallowed a perfect headed Nottingham goal in the final minutes.

Alas, UEFA was then under the blustering control of Jacques Georges. The Frenchman, who remained president until 1990 despite the Heysel Stadium atrocity in Belgium in 1985, threatened to sue journalists who investigated match-fixing.

Georges is still "honorary president" of UEFA. He stands in the shadows while Lennart Johansson, his successor at UEFA, takes the weight of this belated scandal.

UEFA has no option but to acknowledge now that Nottingham Forest was robbed. The million-franc bribe was recently admitted in a Belgian civil court by Constant Vanden Stock, former president of RSC Anderlecht.

Vanden Stock, out of soccer, is untouchable by UEFA. Raymond De Deken, who acted as referees' liaison officer, has been declared persona non grata.

And the Spanish referee? Why, asked one journalist, is there no punishment against him? "The referee is dead," responded Johansson, "may he rest in peace." Muro was killed in a car crash in 1987.

And, worrying for Johansson who hopes to become president of FIFA, the world governing authority, next summer, the affair was brought to life in 1992, but the evidence was missing.

"I am told a package of documents, addressed to me, was sent to UEFA from the Belgian football association in 1992," Johansson said Tuesday. "I never saw it, nor heard about it until a few days ago. We have to clarify the situation, and the executive committee will make an internal inquiry as to the reason why the relevant UEFA bodies were not in a position to deal with this case earlier."

Johansson earlier this week spoken of soccer's need to "clear the table" and to make sure the sport is not allowed to be seen as "rotten."

He acknowledges that today's Anderlecht players, none of whom could have been involved in 1984, are victims. "As always," the president said, "somebody suffers. But we have also to decide what to do about Nottingham Forest. They are the victims."

Tuesday, Forest suggested it wanted to replace Anderlecht, should the Belgium club ever qualify. No chance. Instead, the Nottingham club's lawyers are preparing a $2.3 million civil case for damages.

ADDITIONALLY, Steve Hodge, a talented player unfulfilled, seeks damages for lost earnings and prize money all those years ago; Paul Hart, who headed the goal that Muro annulled, is similarly convinced that there may be legal redress.

They should not bank on it. The courts in Belgium, and indeed in Switzerland, where UEFA is housed, recognize no such thing as a criminal action relating to bribery or cheating in sports.

"It does seem anomalous," admits Gerhard Aigner, UEFA's general secretary, "that the lawyers have discovered that the administration of sport is a gratifying area to them, whereas on the field it is not a crime to cheat."

It has been so since 1980 when an Italian magistrate ruled that sporting fraud is not a crime. "We took action this week for moral and ethical reasons," Johansson said, "and not as a legal action." And he sighed, knowing that should Anderlecht claim its rights to play for European cash, there might be judicial hands to feed the villains and further frustrate the good of the game.

Which leaves one exasperated, but not lost. Go back in time, not to Belgium's devious deeds, but last week, to Real Madrid's briefly recaptured glory.

Playing Rosenborg of Norway in the Champions League, Madrid turned out in virginal white. Its squad embraces nine nationalities; its players feel liberated under their new coach, Jupp Heynckes.

Being performers of high technical quality, being freed in their minds, they allowed art to breathe. The Rosenborg goalie handed them much charity, but so complete was the Madrid mastery that it spent the final third of the match entertaining rather than doing a job.

Supreme was Roberto Carlos, the Brazilian left back, wing back, or winger. One moment he was leaping five feet in the air to head the ball. Then he was racing back to dispossess an opponent with the cleanest of tackles.

Then, standing on the wing, wafting first his right, then his left foot over the ball, he teased Rosenborg's defense before curling a low, slightly deflected cross for Raul to score. Ole! Soccer had triumphed. Goodness had won. The love affair was reignited.

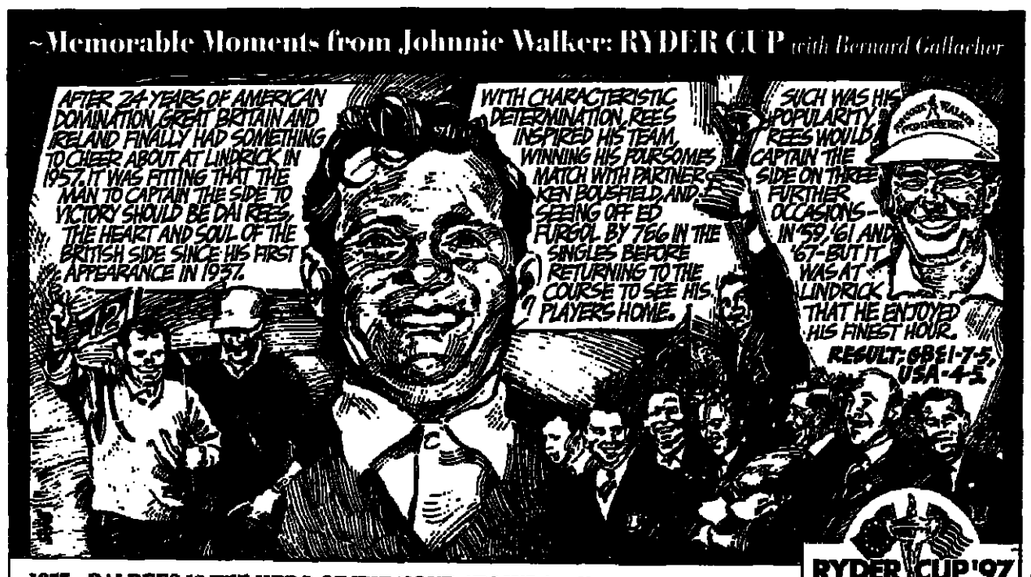
Afterward, a stocky, elderly figure moved almost unnoticed through the "mixed zone" of players and journalists outside Real's dressing room. Alfredo di Stefano, who laid the foundations of Real Madrid's playing style in the 1950s, looked content.

His game had a night of illumination, away from the darkness that attempts to put out the light of soccer's allure. It needs many more.

Rob Hughes is on the staff of The Times of London.

ADVERTISEMENT

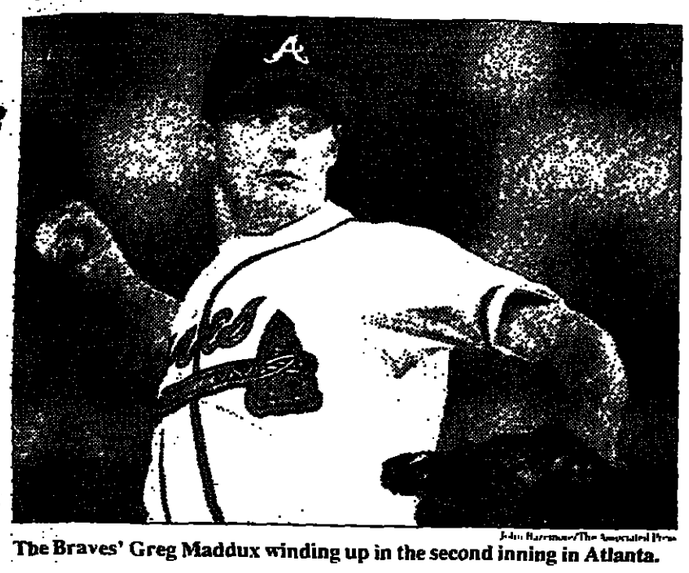
~Memorable Moments from Johnnie Walker: RYDER CUP with Bernard Gallacher



1957 - DAI REES IS THE HERO OF THE HOUR AT LINDRICK.
Written with R. Simmons. Designed & Illustrated by Dave F Smith © International Herald Tribune / Professional Sports Partnerships Ltd.

PAGE 3

SPORTS



John Harrington/The Associated Press

The Braves' Greg Maddux winding up in the second inning in Atlanta.

Braves Seize NL East Title; Giants Widen Lead in West

The Associated Press

The Atlanta Braves are division champions, again. And the San Francisco Giants, helped by another home run from Barry Bonds, might soon join them.

The Braves became the first team to clinch six straight division titles, winning the NL East on Monday night.

"It's hard to put six in perspective," Tom Glavine, the Braves' pitcher, said after a 3-2 victory in 11 innings over Montreal. "It certainly puts this team in a special place in history."

The scoreboard at Turner Field flashed "1997 NL East Division — Champions" after the Braves' division championship became official with second-place Florida's loss.

Atlanta won when the Expos' reliever Steve Kline threw a bases-loaded wild pitch to Mike Mordecai, allowing Danny Bautista to score the winning run.

Giants 11, Padres 5 The Giants, meanwhile, are trying to win their first NL West championship since 1989. They increased their lead to 2½ games over idle Los Angeles with their victory at San Diego.

Bonds hit his 38th home run, and fifth in six games. The victory cut San Francisco's magic number to four for winning the West.

Mets 10, Marlins 3 Florida failed for the third straight day to clinch its first playoff spot, losing to New York in its final home game of the regular season.

Not much went right for the Marlins. Their pitchers walked eight — three with the bases loaded — and third baseman Bobby Bonilla's error keyed a six-run third inning for the Mets.

Astros 6, Reds 3 Jeff Bagwell became the Astros' first 30-30 player as Houston cut its magic number for clinching the NL Central to three.

Bagwell, who has hit a team-record 42 home runs, stole his 30th and 31st bases. He became the first full-time first baseman to join the 30-30 club; Cleveland's Joe Carter did it in 1987 while splitting time between first base and the outfield.

Pirates 3, Cardinals 1 Jason Schmidt pitched four-hit ball for seven innings and contributed a key double as Pittsburgh won at home.

Mark McGwire, who has 54 home runs, went 0-for-4. He needs seven home runs in St. Louis's last six games to match Roger Maris's mark of 61 homers in 1961.

NL Roundup

Griffey Wallops 2 More

Mariner Now Within 6 of Homer Record

The Associated Press

Ken Griffey Jr. pulled within six of baseball's most-cherished record by hitting his 54th and 55th home runs.

Another number brought him more pleasure — one.

That's the magic number for Seattle to clinch its second American League West title in three seasons.

Griffey overtook Mark McGwire for the major league home run lead by one as the Mariners clinched a tie for the division crown by defeating the Athletics, 4-2, on Monday night in Oakland.

AL Roundup

Griffey now has the seventh-highest season-homer total in major league history, trailing only Roger Maris (61 in 1961), Babe Ruth (60 in 1927), Ruth (59 in 1921), Jimmie Foxx (58 in 1932), Hank Greenberg (58 in 1938) and Hack Wilson (56 in 1930).

Griffey's 55 homers are the most in the major leagues since Maris set the record in 1961. The Mariners' star has *five games left, all at Seattle's Kingdome,* to match Maris.

Joey Cora added a two-run homer as the Mariners increased their division lead to 5½ games over Anaheim.

The three homers gave Seattle 257 this season, tying the major league mark set by Baltimore last year. The Mariners, who hit 245 homers in 1996, became the first team to top 500 homers in consecutive seasons.

It was the eighth multihomer game of the season — and the fourth this month — for Griffey. He now has 293 homers and 29 multihomer games in his career.

Yankees 8, Blue Jays 1 David Wells, trying to secure a spot in the Yankees' postseason rotation, won for the first time in nearly six weeks as New York pulled closer to Baltimore in the AL East.

The Yankees, who have already clinched at least a wild-card berth, trail the Orioles by three games with six games remaining for both teams.

Wells (15-10) was 0-5 in six starts since his previous victory on Aug. 14. He pitched eight innings and allowed seven hits, striking out seven and walking one at Yankee Stadium.

Bernie Williams's two-run triple was the highlight of a four-run fifth inning against Pat Hentgen (15-10). Hentgen gave up five runs and seven hits in five innings.

Tigers 5, Orioles 4 Bob Hamelin hit a two-run homer to cap a four-run eighth inning that carried Detroit past the struggling Orioles.

The victory put the Tigers at .500 (78-78) for the first time since April 15 and kept the Orioles' magic number to clinch the AL East at three.

Rafael Palmeiro hit his team-high 37th homer for the Orioles, who have lost 9 of 14 and 11 of 17. Baltimore closes the season on the road after a 5-9 homestand that included three losses in four games against Detroit.

The Orioles were 77-3 when taking a lead into the eighth inning; the Tigers had won only 6 of 69 games when trailing after seven.

Brian Hunter had three hits and stole his major league-leading 72d base for the Tigers, who won their first series in Baltimore since 1994.

Twins 5, Brewers 2 Damian Miller hit his first grand slam and Travis Miller earned his first victory of the season as Minnesota won its final home game.

The loss left Milwaukee on the brink of being eliminated from the AL Central race. The Brewers will be knocked out with either one more defeat or one victory by first-place Cleveland.

Damian Miller, a rookie whose only previous homer came Aug. 19, lined the first pitch he saw from Jeff D'Amico over the left-field fence for a 4-0 lead in the second inning.

Eddie Sawyer Dies; Managed Phillies

The Associated Press

PHOENIXVILLE, Pennsylvania — Eddie Sawyer, 87, manager of the Philadelphia Phillies "Whiz Kids" team that won the National League pennant in 1950, died Monday after a brief illness.

Sawyer was hired as the Phillies' manager in 1948. Two seasons later, his young team won the pennant but was swept by the New York Yankees in the World Series.

Sawyer ranks fifth among Phillies managers with 390 victories, and was the only one to serve two terms.

Chris O'Meara/The Associated Press

Pittsburgh's Norm Johnson watching his game-winner go awry.

Steelers Blow a Kick, And Panthers Pounce

By Thomas George
New York Times Service

JACKSONVILLE, Florida — What is this thing with football and field goals and Monday nights? Such drama.

Last week, Philadelphia, this week, Pittsburgh: Winning kick in the last seconds turns into gloom and doom for the visiting team. But this time, the Jacksonville Jaguars added a little flair, scoring off the Steelers' failed kick.

The Philadelphia Eagles know the story after lining up for a winning field goal a week ago and watching it crumble into a Dallas Cowboys victory before even getting off the attempt. On Monday night, trailing 23-21 with four seconds to play in Alltel Stadium, the Steelers lined up for a 40-yard attempt which would have won the game.

The snap was low. It skidded along the grass and was bobbled by the holder, Mike Tomczak. Norm Johnson kicked the ball, but Clyde Simmons blocked it, the 12th of his career. Safety Chris Hudson scooped up the ball and sped down the right sideline for a touchdown.

A game that Pittsburgh thought it would win on the game's final play turned into a 30-21 loss. The Panthers remained unbeaten (3-0) and won their eighth straight regular-season game. Pittsburgh slipped to 1-2.

Jacksonville's Mark Brunell, back for his first action of the season after major knee surgery, completed 24 of 42 passes for 306 yards against a team that had not allowed a 300-yard passer in nearly two years.

Kordell Stewart, the Pittsburgh quarterback, matched Brunell in big plays and in leadership. He completed 11 of 16 passes for 155 yards. The Steelers' Jerome Bettis carried 21 times for 114 yards.

Stewart threw a 1-yard pass to tight end Mark Bruener only four seconds into the final quarter that gave Pittsburgh a 21-20 lead.

Brunell brought Jacksonville back with a 14-play, 72-yard drive that ended when Mike Hollis's 27-yard field goal put Jacksonville up 23-21.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
y-Baltimore	94	62	.603	—
y-New York	91	65	.583	3
Detroit	78	78	.500	16
Boston	76	80	.487	18
Toronto	72	84	.462	22
CENTRAL DIVISION				
Cleveland	83	71	.539	—
Chicago	77	78	.497	6½
Milwaukee	75	79	.487	8
Kansas City	64	90	.416	19
Minnesota	64	91	.413	19½
WEST DIVISION				
Seattle	88	69	.561	—
Anaheim	82	74	.526	5½
Texas	72	84	.462	15½
Oakland	63	94	.401	25

y-clinched postseason berth

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
x-Atlanta	98	58	.628	—
Florida	90	66	.577	8
New York	85	72	.541	13½
Montreal	76	80	.487	22
Philadelphia	64	92	.410	34
CENTRAL DIVISION				
Houston	80	76	.513	—
Pittsburgh	77	80	.490	3½
Cincinnati	71	85	.455	9
St. Louis	71	85	.455	9
Chicago	66	90	.423	14
WEST DIVISION				
San Francisco	87	70	.554	—
Los Angeles	84	72	.538	2½
Colorado	81	75	.519	5½
San Diego	74	83	.471	13

x-clinched division title

MONDAY'S LINESCORES

AMERICAN LEAGUE

Milwaukee 000 000 200—2 6 1
Minnesota 040 010 00x—5 6 0
D'Amico, Villone (8) and Sirbwell; Lewis (8); Tro.Miller, Ritchie (8), Aguilera (9) and D. Miller. W—Tro.Miller, 1-4. L—D'Amico, 9-7. Sv—Aguilera (24). HRs—Milwaukee, Js.Valentin (17). Minnesota, D. Miller (2), T. Walker (3).

Toronto 000 000 010—1 7 1
New York 100 040 02x—8 11 0
Henigen, Hanson (6) and B. Santiago; D.Wells, Mendoza (9) and Girardi. W—D.Wells, 15-10. L—Henigen, 15-10.

Detroit 001 000 040—5 9 1
Baltimore 201 100 000—4 9 1
Moehler, Doran (6), Gaillard (7), Brocail (8), To.Jones (9) and Casanova; Erickson, A. Benitez (8), Mills (9), Orosco (9) and Webster. W—Gaillard, 1-0. L—A. Benitez, 4-5. Sv—To.Jones (31). HRs—Detroit, Hamelin (18). Baltimore, R. Palmeiro (37).

Seattle 000 120 000—4 9 0
Oakland 100 001 000—2 10 0
Fassero, Ayala (7), Slocumb (9) and Da.Wilson; Ludwick, Groom (5), A. Small (6), Lorraine (7), Taylor (8) and Molina. W—Fassero 16-9. L—Ludwick 1-4. Sv—Slocumb (26). HRs—Seattle, Cora (11), Griffey Jr 2 (55).

NATIONAL LEAGUE

Houston 100 100 040—6 11 2
Cincinnati 001 001 100—3 8 0
Reynolds, Magnante (7), R. Springer (7), B. Wagner (9) and Pena. Ausmus (8); Remlinger, Belinda (6), Shaw (8), G. White (8) and J.Oliver. W—R. Springer, 3-3. L—Belinda, 1-5. Sv—B. Wagner (21). HR—Houston, Hidalgo (2).

St. Louis 000 001 000—1 6 0
Pittsburgh 010 020 00x—3 7 0
Morris and Difelice, Lampkin (7); Schmidt. Rincon (8), M. Wilkins (8), Christiansen (8), Loiselle (9) and Kendall. W—Schmidt 10-9. L—Morris 11-9. Sv—Loiselle (27).

New York 306 000 001—10 11 0
Florida 100 010 001—3 7 1
B.J.Jones, Crawford (9) and Piatt; A. Castillo (7); L.Hernandez, F.Heredia (3), Alfonseca (3), K. Miller (6), Vosberg (8), Cook (9) and C. Johnson. Nokel (7). W—B. L.Jones 15-9. L—L. Hernandez 9-3. HRs—New York, Baerga (9), Ochoa (3). Florida, Nokel (1).

Montreal 000 200 000 00—2 13 1
Atlanta 101 000 000 01—3 12 1
M.Valdes, DeHart (6), D. Veres (7), Bennett (9), Kline (11) and Widger; G.Maddux, Wohlers (9), Embree (10), Cather (11) and J.Lopez. W—Cather 1-4. L—Bennett 0-1. HR—Montreal, Fullmer (3).

San Francisco 014 000 051—11 12 0
San Diego 010 000 400—5 11 0
Rueter, D. Henry (7), R. Hernandez (7), R. Rodriguez (9) and B.Johnson, Berryhill (9); Ashby, H. Murray (8), D. Veras (8), Erdos (8), Cunnane (9) and C. Hernandez. W—R. Hernandez 4-2. L—H. Murray 1-2. HRs—San Francisco, Bonds (38), Snow (27), G. Hill (11). San Diego, G. Vaughn (18).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
x-Yakult	76	47	2	.616	—
Yokohama	66	55	0	.545	9
Hiroshima	62	60	0	.508	13½
Yomiuri	57	69	0	.452	20½
Hanshin	55	69	1	.444	21½
Chunichi	54	70	1	.436	22½

x-clinched league title

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	70	51	3	.577	—
Orix	62	54	3	.534	5½
Kintetsu	63	59	4	.516	7½
Nippon Ham	59	67	1	.469	13½
Daiei	56	65	1	.463	14
Lotte	52	66	2	.446	16½

TUESDAY'S RESULTS

CENTRAL LEAGUE

Hiroshima 4, Yakult 3, 10 innings
Hanshin 5, Yomiuri 4, 11 innings
Yokohama vs. Chunichi, ppd., rain

PACIFIC LEAGUE

Kintetsu 8, Seibu 0
Orix 7, Daiei 3
Nippon Ham 3, Lotte 2

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
New England	4	0	0	1.000	130	40
Buffalo	2	2	0	.500	94	113
Miami	2	2	0	.500	71	77
N.Y. Jets	2	2	0	.500	110	80
Indianapolis	0	4	0	.000	54	115
CENTRAL						
Jacksonville	3	0	0	1.000	98	40
Baltimore	3	1	0	.750	110	71
Cincinnati	1	2	0	.333	54	82
Pittsburgh	1	2	0	.333	42	80
Tennessee	1	2	0	.333	47	73
WEST						
Denver	4	0	0	1.000	127	51
Kansas City	3	1	0	.750	88	76
Seattle	2	2	0	.500	74	101
Oakland	1	3	0	.250	105	106
San Diego	1	3	0	.250	56	99

NATIONAL CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
Dallas	2	1	0	.667	80	52
Washington	2	1	0	.667	56	37
Arizona	1	2	0	.333	59	65
Philadelphia	1	2	0	.333	47	61
N.Y. Giants	1	3	0	.250	70	94
CENTRAL						
Tampa Bay	4	0	0	1.000	96	58
Green Bay	3	1	0	.750	108	84
Detroit	2	2	0	.500	94	83
Minnesota	2	2	0	.500	107	103
Chicago	0	4	0	.000	58	128
WEST						
San Francisco	3	1	0	.750	88	39
Carolina	2	2	0	.500	59	72
St. Louis	2	2	0	.500	77	77
New Orleans	1	3	0	.250	72	108
Atlanta	0	4	0	.000	61	107

MONDAY'S RESULT

Jacksonville 30, Pittsburgh 21

CYCLING

Tour of Spain

Leading finishers after the 182.7-km 17th stage of the Tour of Spain from Santander on Tuesday: 1, Jan Svorada, Czech Republic, Mapei 4 hours, 16 minutes and two seconds; 2, Marcel Wust, Germany, Lotus, s.t.; 3, Sven Teutenberg, Germany, U.S. Postal, s.t.; 4, Fabrizio Guidi, Italy, Scrigno, s.t.; 5, Leon van Bon, Netherlands, Rabobank, s.t.; 6, Alessio di Basco, Italy, Saeco, s.t.; 7, Lars Michaelsen, Denmark, TVM, s.t.; 8, Claudio Camin, Italy, Brescialat, s.t.; 9, Mauro Bettin, Italy, Refin, s.t.; 10, Jurgen Werner, Germany, Refin, s.t.

OVERALL STANDINGS: 1, Alex Zuelle, Switzerland, ONCE, 73 hours, 8 minutes and 4 seconds; 2, Fernando Escartin, Spain, Kelme, 2:46 behind; 3, Laurent Dufaux, Switzerland, Lotus, 3:39; 4, Enrico Zaina, Italy, Asics, 5:07; 5, Roberto Heras, Spain, Kelme, 6:17; 6, Marcos Serrano, Spain, Kelme, 7:10; 7, Clavero, 7:29; 8, Jalabert, 9:56; 9, Gianni Faresin, Italy, Mapei, 11:10; 10, Ledanois, 11:22.

TRANSITIONS

BASEBALL

NATIONAL LEAGUE

MIL—Suspended Ron McClain, Montreal Expos head trainer, for 7 games and fined him undisclosed amount for using profane and threatening language towards umpire in Sept. 14 game.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CHICAGO—Traded F Dickey Simpkins to Golden State for F-G Scott Burrell.

CLEVELAND—Signed F Henry James.

L.A. LAKERS—Signed F Mario Bennett.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

PHILADELPHIA—Signed K Lonny Calicchio to practice squad.

HOCKEY

NATIONAL HOCKEY LEAGUE

ANAHEIM—Assigned C Antti Aalto and J.F. Jomphe, D Mike Crowley, D Marc Moro and D Nikolai Tsulygin, RW Jeff Nielsen and RW Igor Nikulin to Cincinnati, AHL.

LOS ANGELES—Assigned LW Sean O'Brien and D Jaroslav Modry to Utah, IHL. Assigned G Brad Guzda to Long Beach, IHL.

Assigned LW Jeff Shevalier and C Jason Morgan to Springfield, AHL.

NEW JERSEY—Assigned G Frederic Henry, G Peter Sidorkiewicz, D Paul Traynor, D Sergei Vyshedkevich, F Jiri Bicek, F David Cuniff, F Bobby House, F Wes Mason, F Richard Rochefort, F Rob Skrlac and F Jeff Williams to Albany, AHL. Returned D Lucas Nehring to Sarnia, OHL. D Lance Ward to Red Deer, WHL. F Pierre Dagenais to Rouyn Noranda, QMJHL. F Bryan Duce to Kitchner, OHL. Stanislav Gron to Seattle, WHL, and Scott Parker to Kelowna, WHL.

PITTSBURGH—Assigned D Stefan Bergkvist and D Alexei Krivchenkov to Cleveland Lumberjacks, IHL. Assigned C Brian Benin, C Serge Aubin, RW Jan Hrdina and G Jean Sebastian Aubin to Syracuse, AHL.

SAN JOSE—Assigned D Peter Allen, D Alexandre Belkow, G John Nabokov and D Fredrik Oduya to Kentucky of the AHL.

TAMPA BAY—Signed RW Dino Ciccarelli to 1-year contract extension.

TORONTO—Assigned C Mark Deyell, D D.J. Smith and D Danill Markov to St. John's, AHL.

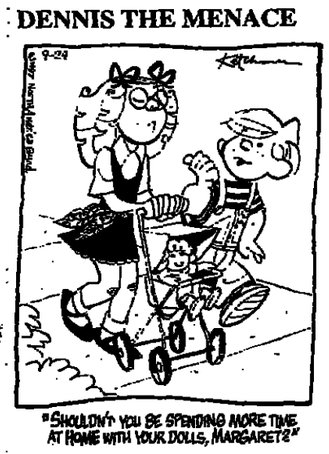
VANCOUVER—Assigned LW Larry Courville, LW Paul Ferone, LW Peter Schaefer, C Robb Gordon, C Lubomir Vaic, D Bert Robertsson, D Brent Sapel and G Tim Keyesto to Syracuse, AHL.

COLLEGE

KANSAS—Suspended freshman TE Jason Gulley and senior DB Avery Randle 1 game each for violation of team rules.

MINNESOTA—Announced that F Courtney James has left basketball team.

DENNIS THE MENACE

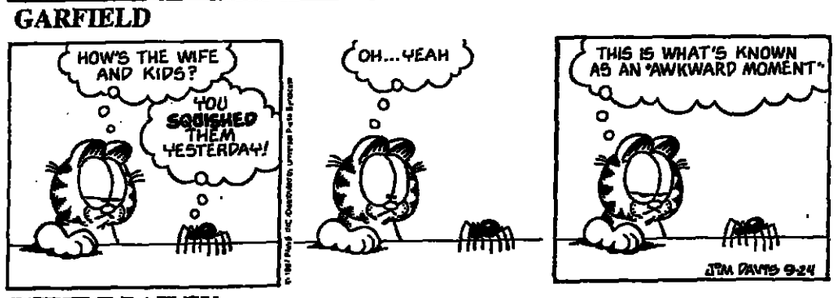


"SHOULDN'T YOU BE SPENDING MORE TIME AT HOME WITH YOUR DOLLS, MARGARET?"

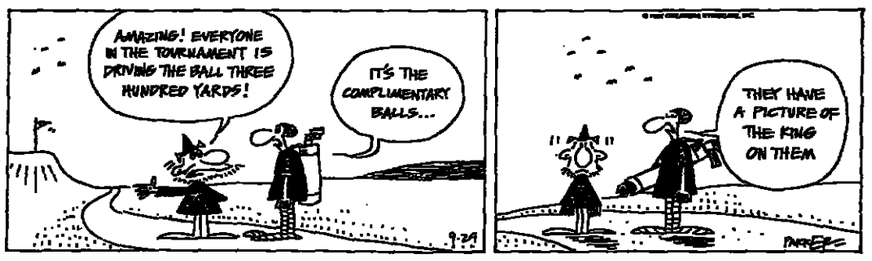
PEANUTS

CALVIN AND HOBBES

GARFIELD



WIZARD of ID



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MAUSE

KERCE

FRUGEE

NASTEF

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

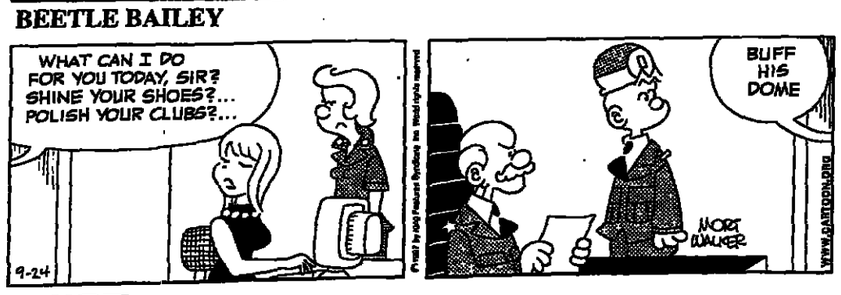
Answer: _____

(Answers tomorrow)

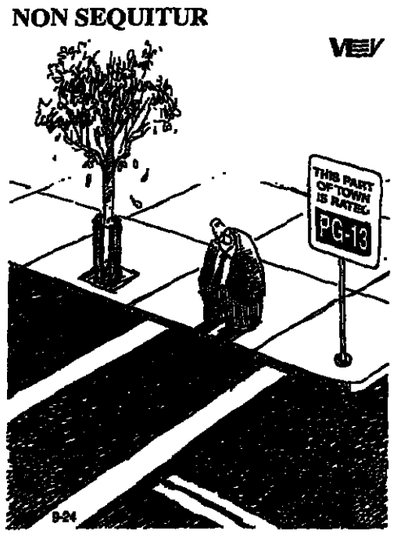
Yesterday's Jumbles: BOGEY SUEDE CHISEL UNFOLD
Answer: What she felt like when her husband concentrated on his music — SECOND FIDDLE

Air One
LONDON/STANSTED
MILAN/LINATE
BOOKING OFFICE
06/488800 - 1478/48880

BEETLE BAILEY



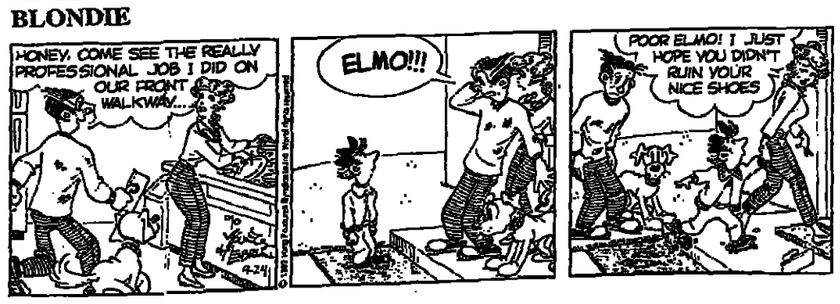
NON SEQUITUR



©1997 Wiley Miller/ dist. by Washington Post Writers Group

DOONESBURY

BLONDIE



OBSERVER

The Real Scandal

By Russell Baker

NEW YORK — Washington's forces of piety want us to feel disgusted with Albert Gore. He used the office phone, it is said, to solicit campaign funds. That's against the law. So is doing 35 miles an hour in a 25-mile-an-hour zone, and anybody who does so ought to be given a ticket. That's the way to deal with Gore's telephone violation. Give him a ticket.

This solution will not satisfy the forces of political uplift. They want us to feel loathing for our vice president, the low-down law-breaking rat. Of course it's terrible. That office telephone he used was the people's telephone. It was your telephone, my telephone.

□

As you can see, I am struggling to feel the loathing for Gore that seems to be expected. Yet I cannot.

It's no secret that every politician in Washington with only three exceptions — possibly four — spends most of his life asking people to send him money.

Putting the arm on the well-to-do is basically what politicians do in Washington, and for good reason. Unless they pile up the millions needed to buy television ads for their next campaigns they will not be re-elected.

"Yes, yes," you say, "but does one single one of them ever use the office telephone to call for money?" The answer seems to be, "No, never." Or so I conclude from the cries of shock coming from politicians of all persuasions about Gore's free and easy way with the office phone.

All others presumably go out to pay phones when seeking dollars, and if the pay phones are all tied up by drug dealers, the way pay phones tend to be, they drive home to phones of their own.

The authentic money scandal in Washington has to do with the price of television. Pay up, or you are almost certainly not going to be elected; i.e., public office has to be bought. Washington people have been saying this for years, and only old fussbudgets see anything wrong with it.

□

Every citizen has the right to use whatever influence he can exert to have his way with politicians, say political scientists, and no influence can match money's for persuading a politician to see things your way.

Periodically dreamers and fools propose schemes to make television available to all, rich or destitute, or to forbid politicians to use TV to peddle their virtues. If you find either prospect likely to occur, you are probably also disgusted by the thought of Gore soliciting on the office phone.

But before being carried away by the farce, let me explain how to eliminate the money problem in our politics. Permit everybody, no matter how rich, to put money into political campaigns. This would go into a Universal Campaign Fund, but could not be earmarked for any specific candidate.

Money to finance all campaigns would be drawn from the Universal Fund and passed around in equal amounts to each candidate.

No longer able to buy influence, contributors would surely feel rewarded, nevertheless, by the knowledge that they were saving democracy from people like themselves.

New York Times Service

'Lolita,' the Remake, Panned and Snubbed

By Celestine Bohlen
New York Times Service

SAN SEBASTIAN, Spain — Americans read "Lolita," the book, in the 1950s, and saw "Lolita," the movie, in the 1960s. Now, decades after it first became a test of both artistic license and freedom, "Lolita," the film remake, is about to open across Europe but not in the United States, where major distributors have so far shunned Vladimir Nabokov's disturbing story of an older man's passion for a prepubescent girl.

The new "Lolita," a lavishly faithful production directed by Adrian Lyne and starring Jeremy Irons and Dominique Swain, made a critical debut on Friday and Saturday to, at best, mixed reviews at the San Sebastian film festival. (Its public premiere is to be in Rome on Thursday.) There were no controversies here, no protests, not even debate about the film's treatment of pedophilia, an explosive issue in Europe as it is in the United States.

If there was any talk of scandal here, it was not about the film itself — which is probably one of the least explicit treatments of a sexual passion, licit or illicit, to be screened in recent years (certainly under Lyne's direction), but about Hollywood's reluctance to deal with a troubling subject, not out of moral outrage but for fear of controversy.

Both Lyne and Irons, who plays Humbert Humbert, the angst-ridden yet besotted professor-turned-seducer, talked ominously, indignantly and at length about their concern that this version of "Lolita" — unlike the novel and earlier film — is being given a silent burial on the other side of the Atlantic, a victim of the timid tyranny of "political correctness."

In Hollywood, several executives, speaking on condition of anonymity, said the movie would have been picked up for distribution if it had been a better movie. It was long and undisciplined, one top executive said, adding, "We didn't see an audience for this at all."

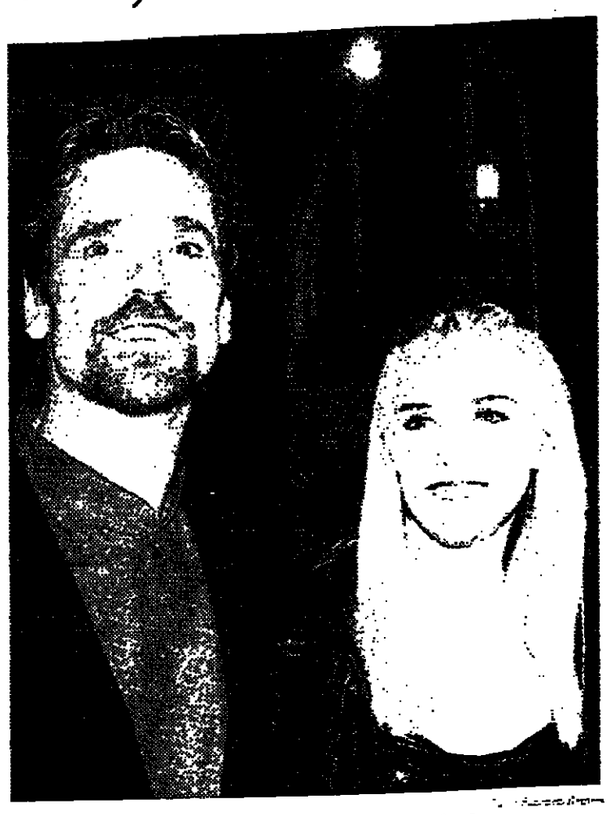
Another executive said that the American distribution rights would have cost at least $30 million, and added simply, "It was not a good movie."

Nonetheless, at a news conference packed with journalists asking about the "censorship" of the film in the United States, Lyne insisted that Hollywood was frightened by the subject matter.

"It is a country where 6-year-olds are sent home from school for kissing their classmates," he said, "where in Oklahoma, police raided video stores, seizing copies of 'The Tin Drum,' so I am not altogether surprised. The atmosphere in America has become very moralistic in the last three years, similar to the way it was in the 1950s."

It was then that "Lolita" became a literary cause célèbre on both continents. The book, seen by critics as a masterpiece by the Russian-born writer, was finally published in the United States in 1958, the same year that a French court lifted a two-year-old ban on its publication there. Stanley Kubrick made his film version in 1962, but it dealt only obliquely with the troubling sexual relationship between Humbert Humbert and his stepdaughter, Lolita, who was 12 going on 13 when he first seduced her.

But in the last few years, sexual abuse of children has become a matter of grave social concern, the most alarming crime of the fin de siècle. Belgium has been horrified by the gruesome murders committed by a pedophile who preyed on young girls; in France this summer, the police staged a nationwide raid on a child pornography ring, seizing thousands of illegal video cassettes and arresting several hundred people. Cases of sexual abuse of children have also made news in both Spain and Italy, with cases involving teachers, a priest, a shopkeeper and a well-heeled Roman lawyer caught luring children off a Sardinian beach.



Irons and Swain at the San Sebastian film festival

And yet movie distributors in these countries have shown little hesitation in taking on "Lolita," even if some admit that the timing of the film's release is not particularly opportune (it opens first in Italy, then in Spain this fall; French, German and British distribution is scheduled for early next year). The lack of a venue in the United States is also a problem, the distributors say, because it means there is no playback from the roar of the American publicity machines.

The new "Lolita" started as a project at Carolco, a production company that went bankrupt about two years ago, with money from Chargeurs, a French industrial group, without an arrangement for American distribution. Late last year, Lyne showed some excerpts to Hollywood studio executives but failed to find a distributor.

"Usually, it is better if it opens in the U.S. first," said Margherita Padranzini, communications director for Medusa, the Italian distributor. "But we believe in this movie, and we decided to open in September, which happens to make us the first. When all this started up, the reaction of the Italians was funny. We are not so prejudiced: we have to see the movie first, and 'Lolita,' after all, is a classic."

Dimitri Nabokov, the writer's son, is expected to attend the Rome premiere as a reminder of the movie's literary origins and an endorsement of its faithfulness to the novel.

"'Lolita' is a challenge we are willing to take," said Jose Vicuna, president of Sogepac, the Spanish distributor. "There have been scandals in Spain, too, but that is not the point. Nobody likes war, and yet there are thousands of movies about war. From that point of view, in Spain, people are not moralistic."

Lyne and several European distributors disputed the notion that American distributors had turned the film down because its price had been set too high to offset a production cost that went over $50 million. "It was a cumulative thing, and people got increasingly frightened," said Lyne. "I don't think the financial issue was an issue in the end."

The real difficulty for the finely tuned American sensitivities, some said, is not that "Lolita" deals with pedophilia — Oprah Winfrey discusses that — but that it gives a multidimensional portrait of a pedophile, trying to explain how a mild-mannered intellectual could become the servant of such a perverted passion, knowingly destroying his own life as well as that of the young charge.

"What people find troubling in America is that they like Humbert Humbert and they don't want to," said Lyne. "They would be much happier if they could hate him. They want black and white, but in the end, he is a tragic figure and the movie is in shades of grey."

Early reviews in the European press this week were mixed. Derek Malcolm, a well-known British critic, said: "He gets nearer to what the book was about. Even if you think it fails, you can't say it is third-rate. It is an honorable effort and at times, even successful."

Carlos Boyero wrote in El Mundo: "It is not a good film. Neither is it bad. It is nothing."

PHOTOGRAPHY

Gordon Parks: Beauty in a World of Poverty and Violence

By Vicki Goldberg
New York Times Service

Gordon Parks's "American Gothic," made in 1942.

WASHINGTON — Gordon Parks at the age of 84 has already had more experience, more lives, and a lot more professions and honors than Methuselah had in 969 years. The youngest of 15 children of a dirt farmer in Kansas, Parks never finished high school but has been given 30 honorary doctorates for his various achievements: fashion photographer and noted photojournalist who worked for Life magazine for more than two decades; film director; writer of technical manuals, novels, memoirs, poetry and screenplays; composer of symphonic music, film scores and a ballet, pianist and painter.

Now, the Corcoran Gallery of Art in Washington has mounted "Half Past Autumn: The Art of Gordon Parks," a 220-photograph retrospective on view until Jan. 11. (The exhibition travels to nine cities, arriving at the Museum of the City of New York in July.)

Parks is best known for a 1942 photograph of a black cleaning woman in front of an American flag in Washington, which expressed his anger at rank discrimination in the country's capital, and for a 1961 Life essay about a sick and poverty-stricken Brazilian boy named Flavio, but many of the photographs on view will be a surprise.

"Half Past Autumn" (Bulfinch), the accompanying book, is the 16th book by Parks and his fifth investigation of his own past, if you include the autobiographical novel "The Learning Tree" and a documentary he made about his life.

His apartment bristles with awards. Honors from the NAACP and the Urban League share pride of place with the National Medal of the Arts, presented by President Reagan. On a personal level he has certainly won big, but he has done so against major obstacles, battles he has fought all his life: poverty, racism and — their frequent companion — failure.

In "Shaft," the hugely successful 1971 movie that he directed and that established the first black hero-detective, the private eye's girlfriend asks worriedly, "You got a problem, baby?" "Yeah, I got a couple of them," he answers. "I was born black, and I was born poor." Like Parks.

When he was 16, his dying mother arranged for him to live with a married sister in St. Paul so he could escape the racism of Fort Scott, Kansas. Fort Scott was so segregated that the high school did not allow blacks to play on the basketball team, so they formed their own and won the Kansas-Oklahoma-Missouri championship. At 12, Gordon was beaten up for walking with a light-skinned cousin. Three of his friends were killed in their teens.

When Parks later worked as a dining car waiter, a steward hurled a racial epithet at him and he threatened the man with a knife. (Before being dismissed, Parks read magazines passengers left behind and saw photographs by Farm Security Administration photographers like Dorothea Lange and Walker Evans. He was so impressed he bought his first camera.)

When he covered the first black fighter pilots in World War II, he was prevented from going overseas with them by politicians unwilling to give blacks publicity. Then Alexey Brodovitch, the art director at Harper's Bazaar, told Parks his fashion photographs were marvelous but Hearst had a rule against hiring Negroes. Conde Nast had no such rule: Parks went to work for Glamour and then Vogue.

Violence did not stop at the color line either. When Parks was a child, every month on payday a brother-in-law got drunk and chased his wife and children to the Parks home with a gun; his mother regularly prevented murder.

When Parks's first marriage was breaking up, his father-in-law put a gun to his head. Covering a Harlem gang for Life put him in gangland danger. When his story on the black Muslims was published, Life learned that there was a contract on his life and sent him abroad with his family.

For years Parks endured hand-to-mouth poverty. The brother-in-law in St. Paul threw him out in the middle of the night during Christmas vacation in subzero weather. For a couple of weeks the teenager stayed in a pool hall by day and rode a trolley all night to keep warm until school opened again, then got a job playing piano in a brothel till a man was murdered there.

He rode the rails to Chicago, worked as a janitor in a filthy flophouse, worked as a busboy in a hotel until the band leader heard him playing his own songs and made him the only black musician and vocalist with his band. Then when the band reached New York, the leader ran off with the take and Parks was homeless and broke again. "How do I get to Harlem?" he asked the drummer, who answered, "Take the A train." He did and soon discovered there were no jobs for blacks. For a while Parks was reduced to running drugs.

Yet in 1941, he received the first Julius Rosenwald Fellowship ever given for photography and with it became the FSA's first black photographer. Roy Stryker, head of the agency, took Parks with him when it folded and made him the first black photographer at the Office of War Information and at Standard Oil. Parks broke the same ground at Vogue and then at Life.

In 1969, he became the first black director of a major-motion-picture studio film, "The Learning Tree" (Warner Brothers), adapted from his own novel. (He also wrote the screenplay and score and produced the film.) "I wasn't so proud of being the first black at those places," he says. "I felt blacks should have been hired before."

PEOPLE

PHOTOGRAPHERS refused to shoot pictures of George Clooney at the opening in New York of his movie "The Peacemaker," standing together quietly to protest the actor's criticism of paparazzi who chase stars. Only a few flashbulbs — most from fans' cameras — went off as the "ER" hunk and "Batman and Robin" star strolled down the carpet, bypassing about 60 photographers at the Ziegfeld theater. The actor had compared tabloid journalists to crack cocaine dealers after **Princess Diana** died in Paris when the car she was in crashed as it sped away from paparazzi. "We boycotted him to show that we have some restraint and that we're not a bunch of idiots running around with cameras and causing accidents," said **Stephen Trupp**, who has photographed stars, sports and public events for the last eight years. Clooney is at least the third star to be boycotted for bashing photographers. They snubbed **Sylvester Stallone** at the opening of a Planet Hollywood in Rome and **Fran Drescher** at the Emmy ceremony.

Richard Lee-Reuters

Clooney at the premiere.

□

A neighbor who has tended to **Jacqueline Kennedy Onassis'** house in Bernardsville, New Jersey, since Onassis' death in 1994 now owns it. The secluded two-story converted barn was purchased by a longtime friend, **Marjorie McDonnell Walsh** for $1.47 million on July 27, according to deed records. Onassis bought the house in 1974 for $200,000 and used it as a weekend home.

□

The Cat in the Hat, Horton, Yertle the Turtle and other fanciful creations of **Dr. Seuss** will be part of a memorial to the children's author. Springfield, Massachusetts, the hometown of **Theodor Geisel**, known to millions of children as Dr. Seuss, will create a memorial populated with six sculptures of characters from his books. Geisel's stepdaughter, the sculptor **Lark Grey Dimond-Cates**, will create the bronze works, which will encircle the town library.

□

Steven Seagal is having run-ins with some locals in Montana over his new movie. Seagal is scheduled to begin rehearsals for "The Patriot" this week. But film crew members say they have received threats from callers identifying themselves as militia members. In "The Patriot," a renegade government lab worker steals a deadly biochemical, which somehow falls into the hands of a militia, killing militia members and townspeople. But early media reports incorrectly said the script has the militia stealing the toxin and deliberately unleashing it on the town. A member of a militia-affiliated group denied that anyone in her organization would threaten the filmmaking. "But anyone can say they belong to the militia and make a threat," said **Kamala Webb**, member of Citizens for a Free America.

□

The country singer **Jett Williams** spent eight years in court proving she was the illegitimate daughter of **Hank Williams Sr.** Now she has a memento from her family. **Harold** and **Betty Ehrlich**, pawn shop owners in Montgomery, Alabama, gave her a china tea set that her grandmother, **Lillian Williams**, had been making payments on before she died in 1955. "This is the first thing and only thing I'll ever get from my grandmother," Williams said. "This is one of those things you can't put a price on." The $14.95 tea set was never sold because the Ehrlichs had hoped to donate it to a Williams museum, but that never materialized.

□

For the second time this year, a Canadian beauty pageant winner has been dethroned. Organizers of the Miss Canadian International pageant said **Gabriella Petivoky** had breached her contract when she posed for promotional photos for Hooters, an American restaurant chain which features waitresses in high-cut shorts and tank tops. "We want a young lady people can look up to and be proud of," said **Michelle Jacobson**, president of Models Club Canada International, which organized the pageant. Earlier this year, **Danielle House** lost her title from the Miss Canada International, a separate pageant, after she was convicted of assault.

Every country has its own AT&T Access Number which makes calling home or to other countries really easy. Just dial the AT&T Access Number for the country you're calling from and you'll get the clearest connections home. And be sure to charge your calls on your AT&T Calling Card. It'll help you avoid outrageous phone charges on your hotel bill and save you beaucoup de francs (up to 60%*). Check the list for AT&T Access Numbers.

Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial the calling card number listed above, your name.

AT&T Access Numbers

EUROPE	
Austria●○	022-903-011
Belgium●	0-800-100-10
France	0-800-99-0011
Germany	0130-0010
Greece●	00-800-1311
Ireland□	1-800-550-000
Italy●	172-1011
Netherlands●	0800-022-9111
Russia●▲(Moscow)▷	755-5042
Spain	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0500-89-0011 or 0800-89-0011
MIDDLE EAST	
Egypt●(Cairo)†	510-0200
Israel	177-100-2727
Saudi Arabia◇	1-800-10
AFRICA	
Ghana	0191
South Africa	0-800-99-0123

Can't find the Access Number for the country you're calling from? Just ask any operator for AT&T Direct® Service, or visit our Web site at: http://www.att.com/traveler

AT&T

*Clearest connections from countries with voice prompts compared to major U.S. carriers on calls to the U.S. Clearest based on customer preference testing. *Compared to certain hotel telephone charges based on calls to the U.S. in November 1996. Actual savings may be higher or lower depending upon your billing method, time of day, length of call, fees charged by hotel and the country from which you are calling. ▲Call-based countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all locations noted above. ●Public phones require deposit of coin or phone card for dial tone. ◇Calling available to designated countries only. ▲Limited availability. ○Public phones require local coin payment during the call. ▷Additional charges apply outside Moscow. †Dial "0" first outside Cairo. Chinese U.S. access number is 10-811. Ireland: Please wait for second dial tone. © 1996 Chappell & Co. (ASCAP). ©1997 AT&T